THE COLLEGE OF ST MARY MAGDALENE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales · Charity number 1137542

Details

Other names	MAGDALENE COLLEGE CAMBRIDGE
Status	Registered
Legal form	Other
Registered	2010-08-18
Register	View on the Charity Commission register

Contact

Address	Magdalene College Cambridge CB3 0AG
Phone	01223332100
Email	enquiries@magd.cam.ac.uk
Website	www.magd.cam.ac.uk

Activities

Objects: TO MAINTAIN A COLLEGE IN THE UNIVERSITY OF CAMBRIDGE IN PERPETUITY FOR THE ADVANCEMENT OF KNOWLEDGE, ARTS, LEARNING AND VIRTUE AND FOR THE ADVANCEMENT OF GOOD STUDIES AND MORALS AND THE PERFORMANCE OF DIVINE SERVICE.

Activities: The provision of education to undergraduate and graduate students. The advancement of knowledge and learning by supporting research pursued by academics and by funding research fellowships. The College maintains the Pepys Library, a collection of international significance, which provides an educational resource.

Classification

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

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Geography

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

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£19,808,728	£14,763,060	£208,853,108	170
2024-06-30	£15,052,754	£13,669,271	£204,376,626	165
2023-06-30	£15,167,355	£13,492,504	£201,841,042	161
2022-06-30	£12,899,268	£11,689,885	£197,115,489	148
2021-06-30	£10,560,477	£9,525,618	£195,393,427	154

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Trustees

Name	Role	Appointed
Sir Christopher Greenwood	Chair	2020-10-01
Alastair Mills		2021-10-01
CORINNE LLOYD		2012-03-22
DR HUGHES AZERAD		
DR JANE HUGHES		
Dr ALLEGRE LAURENCE HADIDA		
Dr ARI ERCOLE		2014-03-13
Dr Alexander Bryan		2023-10-01
Dr Eduardo Gallo		2021-10-01
Dr GARETH PETER PEARCE		
Dr JOHN ROBERT PATTERSON		
Dr NICHOLAS ROGER CARROLL		2017-07-20
Dr RICHARD ROEBUCK		2012-03-22
Dr ROWAN MARGARET BURNSTEIN		
Dr SERGIO BACALLADO		2016-08-01
Dr Simon Ravenscroft		2021-10-01
Dr Tijmen Euser		2015-08-01
Dr Walid Khaled		2014-01-01
Dr Zachariah Bond		2024-01-01
Jostein Hauge		2023-12-01
PROFESSOR AMIRA BENNISON		2012-03-22
PROFESSOR HOLGER BABINSKY		
PROFESSOR PAUL DUPREE		
PROFESSOR SAUL DUBOW		2017-01-01
PROFESSOR TIMOTHY NORMAN HARPER		
Peter Asimov-Hofmann		2024-10-01
Professor ANTJE LUISE DU BOIS-PEDAIN		

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Name	Role	Appointed
Professor CARL STUART WATKINS		
Professor CECILIA BRASSETT		
Professor JOHN J ORR		2018-06-01
Professor Klaus Okkenhaug		2022-10-01
Professor LUKE SKINNER		2012-03-22
Professor Linda Fisher		2022-10-01
Professor MARCUS WAITHE		
Professor NEIL GARATH JONES		
Professor SILKE CHARLOTTE MENTCHEN		
Professor SIMON STODDART		2012-03-22
Professor STUART MARTIN		
Professor TIMOTHY ARTHUR COOMBS		
Rev JOHN MUNNS		2015-10-15
SARAH C ATKINS		2018-09-03
STEVEN JOHN MORRIS		
Sara Caputo		2025-10-01
Xavier Moya		2025-10-01

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THE COLLEGE OF ST MARY MAGDALENE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137542

Accounts

MAGDALENE COLLEGE
CAMBRIDGE

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2025

Registered Charity Number 1137542

MAGDALENE COLLEGE, CAMBRIDGE
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2025

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MAGDALENE COLLEGE, CAMBRIDGE
FELLOWSHIP
YEAR ENDED 30 JUNE 2025

FELLOWSHIP

Governing Body (Trustees of the charity)

Sir Christopher Greenwood GBE CMG KC, MA, LLM
N R Carroll, MA, MB, BChir
J R Patterson, MA, PhD
M E J Hughes, MA, PhD
Professor B J Burchell, MA, PhD (Warwick) (to 30 September 2025)
Professor S Martin, MA, PhD
Professor T N Harper FBA, MA, PhD,
Professor N G Jones, MA, LLM, PhD
Professor H Babinsky, MA, PhD (Cranfield)
Professor P Dupree, MA, PhD
Professor S K F Stoddart, MA, PhD
Professor T A Coombs, MA, PhD
Professor H Azérad, MA, PhD
A L Hadida, MA, PhD
Professor C S Watkins, MA, MPhil, PhD
Professor A L Du Bois-Pedain, MJur (Oxon)
Professor S C Mentchen, MA
S J Morris, BA (Newcastle), FCA, IPFA
R M Burnstein, MB, BS, PhD
G P Pearce, MA, PhD
Professor C Brassett, MB, BChir, MChir, FRCS
Professor M J Waithe, MA (Leeds), PhD
C D Lloyd, MA (Kent)
R L Roebuck, MEng, MA, PhD
Professor A K Bennison, PhD (London)
Professor L C Skinner, MPhil, PhD
Professor E So, MEng, PhD, CEng (to 31 March 2025)
Professor W T Khaled, MA, PhD
A Ercole, MA, PhD, PG Dipl, MB BChir, FRCA
T G Euser, MSc, PhD (Twente)
J M Munns, MA (Durham), MPhil (Bristol), PhD, FRSA
S A Bacallado, PhD
Professor S Dubow, DPhil (Oxon)
Professor S J Eglen, DPhil (Oxon) (to 30 September 2025)
Professor J J Orr, PhD
The Revd S C Atkins, MA
Professor P J Lane, MA, PhD (to 30 September 2024)
A Mills, DipABRSM, MA, BCL (Oxon), Barrister at Law (Gray's Inn)
E Gallo, MPhil, DPhil (Oxon)
S Ravenscroft, MA (Nottingham), PhD
Professor K Okkenhaug, PhD (Toronto, Canada)
Professor L G Fisher, MA (St Andrews), PhD
A Bryan, MA (York), PhD (London)
J Hauge, PhD
Z Bond, MEng, MA, PhD
P Asimov-Hofmann, AB (Brown), MSt (Oxon), PhD (from 1 October 2024)
Professor X Moya, MSc, PhD (Barcelona) (from 1 March 2025)

Bye-Fellows

C MacKenzie, PhD (ANU, Australia) (to 30 September 2024)
N Bridson-Hubbard, BA, MPhil (to 30 September 2024)
F Rigby, MPhys (Durham) (to 30 September 2024)
A Pesci, PhD (La Plata) (to 30 September 2025)
R Padel MA, DPhil (Oxford) (from 1 October 2024 to 30 September 2025)
M-M Wandrey, M Phil, Dr.Med (Berlin) (from 1 October 2024 to 30 September 2025)
G Mussini, M Biol (Oxford) (from 1 October 2024 to 30 September 2025)

Junior Research Fellows

D Dunkelmann, MSc (Zurich), PhD (to 30 September 2024)
P Asimov-Hofmann, AB (Brown), MSt (Oxon), PhD (to 30 September 2024)
H Marshall, MA (Brown), PhD (to 6 December 2024)
B Peng, MSc (Fudan, China)
G Giovannetti-Singh, PhD (to 1 February 2025)
M-R Ivan, PhD
W Barrie, BA, PhD (from 1 October 2024)
S M Niang, BA, MA (London), PhD (from 1 October 2024)
M A Taylor, AM, PhD (Harvard) (from 1 October 2024)

Senior Research Fellows

P M Steele, MPhil, PhD
A Neumann, MA, PhD
Professor F Aigbirhio, MA, DPhil, CChem, FRSC
T Licence MA, MPhil, PhD, FHEA, FRHistS, FSA
S Caputo, MSc (Edinburgh), PhD (to 30 September 2025)
A Lefauve, MSc, PhD
Professor A Fialkov, MSc, PhD (Tel Aviv, Israel)
A Baez-Ortega, PhD
Professor G Neff, M Phil PhD (Columbia)
Professor D Thomas, MA, MB BChir, PhD, MRCP (from 1 October 2024)

Emeritus Fellows

Professor P J Grubb, ScD
R Hyam, LittD
P E Reynolds, ScD
His Honour C F Kolbert, MA, PhD
Professor N Boyle, LittD, FBA
Professor R J S Spence, MA, PhD
Professor E Duffy, DD, FBA
Professor N Rushton, MD
Professor H A Chase, ScD, FREng
Professor M A Carpenter, ScD
K Patel, MA, MSc, PhD (Essex)
Professor T Spencer, MA, PhD

Life Fellows

M D Billinge, MA, PhD
A R Thompson, MBE, MA, MPhil
Professor T H Clutton-Brock, ScD, FRS
S Halper, PhD
Professor E H Cooper, LittD, FBA
Professor E Rothschild CMG, MA
Professor J R Raven MA, PhD, LittD, FRA
M C Skott, PhD
Professor P J Lane, MA, PhD (from 1 October 2024)
R L Skelton, MA (from 1 October 2024)

Honorary Fellows

HRH the Duke of Gloucester KG, GCVO, MA
Professor Sir David Hopwood, MA, PhD, DSc (Glasgow), FRS
J C F-Simpson CBE, MA, FRGS
Sir Colin Corness, MA (deceased 25 June 2025)
Professor Sir Richard Jolly KCMG, MA, PhD (Yale)
Professor Sir John Gurdon, PhD, Hon ScD, Hon DSc (Oxon), FRS
D J H Murphy, MA
Professor D C Clary, ScD, FRS
The Rt Hon Lord Malloch Brown KCMG, MA
R W H Cripps AM
The Rt Hon Sir Andrew Morritt, PC, CVO, MA
R H Vignoles, BA, BMus, ARCM, Hon RAM, Hon FRCM
The Hon Yan Lung Wong, SC, MA, JP
Khoon Hong Kuok, BA (Singapore)
Professor S Springman, CBE, PhD, FREng
C I von Christierson, MA
HRH Sultan Nazrin Shah, BA (Oxon), PhD (Harvard)
L L Cardozo Kindersley MBE
Dame C A Duffy DBE, BA (Liverpool)
A Tennent, BA, MIB
T Cripps, BA, MBA
The Rt Revd & Rt Hon the Lord Williams of Oystermouth, PC, DD, Hon DCL (Oxford), FBA
Professor the Lady Williams of Oystermouth, MA
The Rt Hon Brenda Marjorie Hale, Baroness Hale of Richmond, DBE, PC, FBA
M C Newell, BA
The Very Revd Dr D M Hoyle KCVO MBE, MA, PhD
C B M Derham, MA
M Moorman, MPhil
A Schultz, MA
P Carne MBE HonRCM, MA
Professor P Friend, MA, MB, BChir, MD
Professor T Leighton FRS, FREng, FRMedSci, DSc
Professor C Lintott FRAS, MA, PhD (London)
Professor R Rickaby FRS, MA, PhD
Dame R Whiteread DBE, MA (London)

Visiting Fellows

Professor M Kelleher MRIA, PhD (Boston) (from 1 October 2023 to 30 September 2024)
Revd R MacSwain, MTh (Edinburgh), PhD (St Andrews) (from 1 April to 31 July 2024)
E Hughes, MRes, PhD (Bangor) (from 1 October to 31 December 2024)
S Scott-Brown, PhD (ANU) (from 1 October to 31 December 2024)
Professor R Peiser, MBA (Harvard), PhD (from 1 October 2024 to 30 September 2025)
Professor A B Bricker, MA (Toronto), PhD (Stanford) (from 1 January to 31 March 2025)
Professor M Eddy, MDiv (Princeton), MA, PhD (Durham) (from 1 January to 31 March 2025)
A Taylor, MA, BCL (Oxford) (from 1 April to 30 June 2025)
L Walker, AM, PhD (Harvard) (from 1 April to 30 June 2025)
Professor A Zifferero (from 1 April to 30 September 2025)

Fellow-Commoners

R L Skelton, MA (to 30 September 2024)
A I J Fitzsimons, Diplômée de l'ISIT (Paris)
J J Hellyer Jones, MA, FRCO
P J Marsh, MPhil, Honorary PhD (University of Central England)
R V Chartener, OBE, AB (Princeton), MPhil, MBA (Harvard)
C H L Foord, MAAT, Assoc CIPD
Professor C V S Brasted-Pike, MA, MSci, PhD
H Critchlow, PhD
L Masuda-Nakagawa, PhD (Tokyo)
F Schuery, MA
C N Spottiswoode, PhD
J M Potter, MA (Oxon)
Professor D A S Fergusson OBE, MA (Glasgow), BD (Edinburgh), DPhil (Oxon), DD, FBA, FRSE
M Thompson, MA PhD
R Calvocoressi CBE, MA (Oxon)
C MacKenzie, PhD (ANU, Australia) (from 1 October 2024)
C P G Ziar MA (from 1 October 2024)
Professor J S Begbie, PhD, DD (Aberdeen) (from 1 February 2025)
G Giovannetti-Singh, PhD (from 23 May 2025)

MAGDALENE COLLEGE, CAMBRIDGE
PRINCIPAL OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 JUNE 2025

Address

Magdalene College
Cambridge
CB3 0AG

Officers

Master:	Sir Christopher Greenwood GBE CMG KC, MA, LLM
President:	N R Carroll, MA, MB, BChir
Senior Tutor:	Professor Stuart Martin, MA, PhD
Senior Bursar:	Mr Steven Morris, BA (Newcastle), FCA, IPFA
Development Director:	Mrs Corinne Lloyd, MA (Kent)

Professional Advisers

Auditors:	PEM Audit Limited Salisbury House Station Road Cambridge CB1 2LA
Bankers:	Lloyds Bank 3 Sidney Street Cambridge CB2 3HQ
Property Managers: (Commercial)	Cheffins Commercial Clifton House 1-2 Clifton Road Cambridge CB1 7EA
Property Managers: (Agricultural)	Savills Olympic House Doddington Road Lincoln LN6 3SE
Securities Managers:	Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN Cazenove Capital 1 London Wall Place London EC2Y 5AU Troy Asset Management 33 Davies Street London W1K 4BP
Solicitors:	Ashtons Legal Chequers House 77-81 Newmarket Road Cambridge CB5 8EU

MAGDALENE COLLEGE, CAMBRIDGE
REPORT OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2025

The Governing Body of Magdalene College presents its Reports and Accounts for the year ended 30 June 2025.

STATUS

The College of Saint Mary Magdalene, one of 31 Colleges in the University of Cambridge, commonly called Magdalene College, was re-founded by Lord Audley of Walden in 1542. The 1542 Charter provides that the College is '*for the advancement of knowledge, arts, learning and virtue and for the advancement of moral studies in the University of Cambridge.*' The College became a registered charity on 18 August 2010. The Charity Commission of England and Wales is therefore the principal regulator for the College.

The College is a legally independent corporation within the collegiate University of Cambridge. A system of University-wide committees exists to plan and discuss the joint affairs of the collegiate University.

AIMS AND OBJECTIVES

The Governing Body has adopted a Strategic Plan to determine the future direction and size of the College. This plan identifies the priorities to be addressed to maintain and enhance teaching provision and the College's academic resources, and to provide appropriate residential and recreational amenities.

The College's charitable purpose as a place of religion, education, learning and research is clearly reflected by objectives in the Strategic Plan:

- to deliver a world-class undergraduate education by safeguarding the provision of small-group College-based supervision teaching;

- to maintain and develop a commitment for encouraging applications from the most talented students irrespective of social, ethnic and religious background in tandem with a needs-blind admission system supported by a comprehensive bursary programme; and

- to promote academic research of the highest quality.

GOVERNANCE

The Governing Body of the College comprises the Master and the Fellows (Classes A, B and C, if aged below 67 years) and they are *de facto* the trustees of the College. This body is constituted and regulated in accordance with the College Statutes (revised 1997) and is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets at least seven times a year under the chairmanship of the Master. The Presidents of the Middle Common Room (MCR) and the Junior Common Room (JCR) attend for unreserved business.

The Governing Body acknowledges its responsibility to act with prudence and care and to ensure the College complies with relevant laws and regulations. The Governing Body elects all Fellows of the College. Information is given to new Fellows regarding the College and how it is governed.

The principal committees of the Governing Body include the:

- Academic Committee; which establishes policy and monitors progress in respect of the College's main activities of education and research. The Committee meets five times a year and its membership is drawn from the Governing Body;

- Fellowship Committee; which advises on the recruitment and the retention of College Fellows including recommendations about individual elections. The Committee meets at least four times a year. Its membership, which is drawn from the Governing Body, reflects the range of academic disciplines;

- Finance & General Purposes Committee; which has responsibility for the oversight of the College's financial and administrative affairs and meets six times a year. Membership is drawn from the Governing Body;

- Investments Committee; which has oversight and sets policy for the College's endowment. The Committee meets four times a year and it includes external members with knowledge and experience of investments; and

- Development Committee; which oversees and sets policy for the College's alumni relations and fundraising programmes. The Committee meets at least three times a year and its membership is from the Governing Body and the wider Fellowship.

As secretary to the Governing Body, the Senior Bursar maintains a register of interests for members of the Governing Body. Declarations of interest are standing items on the agendas of the Governing Body and its principal committees. The Governing Body has established Stipends and Remuneration Committees, with memberships which are independent from it, to review and to advise on the benefits appertaining to Fellows. This Committee reviewed relevant policy proposals during the financial year. In terms of the College's pay policy, including that of senior management, a formal triennial review against comparative roles is undertaken to benchmark pay and subsequent recommendations appertaining to Fellows / College Officers are made to the Stipends and Remuneration Committees, which advise the Governing Body accordingly. Additional disclosure on the salaries of Fellows of the College who form the trustee body is given in the Notes to the accounts.

The Master is the chairman of the trustees and has a duty to promote the welfare of the College and to ensure the College maintains an appropriate learning environment for its members. The President, as a senior fellow, supports the interests of the fellowship and acts as the vice-master. The Senior Tutor has day-to-day responsibility for the admission, education and welfare of undergraduate and postgraduate students and supporting the research activities of the College. The Governing Body appoints Admissions Tutors to support the Senior Tutor in the selection of suitable students for admission to the College. The Senior Bursar has responsibility for the estates, finance and administration of the College.

The College appoints a Director of Studies for each undergraduate and provides small group teaching in addition to the teaching provided by the University. The College also provides a Tutor for each student and access to other forms of pastoral care, including a Dean of Chapel, Nurse and Counsellors. Together, the Dean and the Tutors have responsibility for maintaining standards of behaviour and good order in the College.

Members of the MCR and the JCR elect annually an executive committee to support and promote their welfare. The College makes grants to these student bodies, as well as to sports and cultural societies.

PROGRESS MADE DURING THE YEAR

The College continues to work hard to support its students via its supervision and tutorial systems, further development of mental health and welfare services, and through its vibrant community.

The College is always striving to improve its own academic standards and is active in promoting the wider collegiate University's standing in terms of teaching and research and the position of the colleges within it. The College aims to build upon its existing academic strengths by recruiting Fellows who are outstanding in their field of study and by admitting talented students. Undergraduate students have performed well in their 2025 examinations with over half of students obtaining a 2:1 or better and of the cohort of graduating students, 89% achieving a first or 2:1.

The college has advanced plans to restore and improve the Samuel Pepys building in order to undertake a substantial refurbishment of the building and over the course of 2024-25 preparations developed in detail. The project will deliver much needed maintenance to the grade I listed building as well as physical access improvements for visitors to the Pepys library and the main contractor will commence on site in July 2025.

Inflationary pressures have eased, particularly for food and energy, however the cost of employment continues to rise at a faster rate, especially with additional taxes on employment, than college income and thus the college is continuing to run an operational deficit.

International economic conditions remain tough and together with some aspects of government policy, it has led to a dire environment in the commercial office sector and there are financial challenges for the hospitality sector, both areas that the college has exposure, and this has led to the commercial property portfolio having voids and reduced income.

FINANCIAL REVIEW

Scope of Financial Statements

The financial statements include the accounts of Magdalene College and its subsidiary undertaking.

Sources of Funding

The principal sources of income of the College are:

- Students through fees charged for education provided
- The University through fees charged for education provided to its students
- Donors through grants for research
- Members and friends of the College through donations and bequests
- Students and Fellows through charges for goods, services and facilities provided
- Conference customers for goods, services and facilities provided
- Investment income from the accumulated endowment.

Results for the Year

The financial results for the year are given as follows:

	2025 £000	2024 £000	% Change
Total Income	19,809	15,053	+31.6%
Total Expenditure	(14,764)	(13,669)	+8.0%
Surplus before investment gains or changes to pension schemes	5,045	1,384	+264.6%
(Loss)/gain on investments	(685)	1,108	-161.8%
Actuarial gain/(loss) on pensions	116	44	+163.6%
Total Comprehensive Income	**4,476**	**2,536**	**+76.5%**

The College deems it prudent to plan for a modest recurrent surplus to provide stability and to allow for new funds for reinvestment.

Income

Overall income (before investment gains and actuarial pension changes) increased by +31.6% when compared to the previous year. The increase is largely due to a major legacy to the College, providing an endowment for teaching and research and some other smaller endowment donations. Excluding the bequest and other endowment donations, income hardly increased at all (+0.3%). Increases to unregulated undergraduate fee income and commercial conference activity have been offset by reductions in investment income relating to commercial property. Expenditure on education provision increased by +3.4% mainly due to staff costs. The reversal of the significant accounting credit in the USS pension provision 2023-24 resulted in underlying cost growth. Including the pension deficit provision changes, total expenditure increased by +8.0%. Significant donations in the year were received for a combination of student support, research and the Pepys Building restoration project. Valuation gains in commercial property directly owned by the College were offset by expenditure in year on improvements and market losses on securities.

Income from academic fees increased overall with a higher proportion of unregulated undergraduate fees compared to income from regulated fees. There was a modest reduction in postgraduate fee income. There was an increase in research activity and in the financial support from the University contributing towards the Cambridge Bursary Scheme.

Income from College-provided accommodation and catering was £5,084k (£4,817k for 2023-24), an increase of +5.5% on last year. College member accommodation and catering income remained static. Conference revenue increased to £1,456k from £1,258 (2023-24) +15.7% as the College strives to grow this income stream.

Total investment income actually decreased to £4,135k (£4,360k previous year) or by £225,000. Actual income from securities and other investments grew by 10.2% due to the College's policy spending rate on its total return accounting, even though the policy spending rate was constant at 3.25% for 2024-25. The spending rate will actually increase to 3.5% for 2025-26. Rental income from the commercial property estate reduced by -14.6% with challenging market conditions and void units, especially in commercial offices.

Total donation income was £6,887k (£2,422k for 2023-24), reflecting continued generous donations in support of student welfare and financial assistance and substantial donations towards the Pepys Building restoration project. The College received a large bequest supporting teaching and research in Law.

Expenditure

Expenditure on education related activity increased to £6,461k (£6,249k previous year), which compares to £3,139k received (£2,978k previous year) directly from academic fees, providing a calculated education deficit on activity of £3,322k (£3,271k previous year). Education activity related expenditure saw an increase in teaching costs, tutorial support and student welfare. Teaching costs increased predominantly due to the cost of providing supervisions following agreed increased rates across the collegiate university. This increase in providing supervisions for 2024-25 was +13.9%. The increase in tutorial related costs directly reflects continued investment in student mental health and wellbeing services and in the College student welfare team. The increase in admission costs arises from more Widening Participation activity. Increased support for Research Fellows is reflected in the increase in research expenditure. In total, expenditure on education accounts for 43.8% (previous year 45.7%) of total expenditure.

Expenditure on College-provided accommodation and catering actually decreased to £4,805k (£5,560k previous year). Other operating costs reduced by -3.2% reflecting efficiency gains, although other expenditure increased due to higher pension deficit contributions and the void costs associated with empty commercial property.

Total staffing costs increased by 6.6% over the previous year, now amounting to £6,022k (£5,651k previous year). After adjusting for the change in USS pension deficit provision contributions compared to 2023-24, staff costs amounted to 40.8% of total costs (41.3% the previous year). Labour market conditions continued to ease and staff retention remained stable. The College was generally able to recruit to vacancies when needed. However, the costs of employment are still rising faster than income, exacerbated by new increases in employer national insurance contributions and lowered thresholds. This combined with higher National Living Wage and National Minimum Wage, which have in fact risen at a faster pace than general wages and inflation, has created more upward pressure on rates of pay and thus costs. The College made a pay award above the higher education sector for its employees in addition to paying two discretionary bonuses to staff to ensure rates of pay remain competitive and retention remains stable.

The Governing Body remains concerned about the long-term costs of providing defined benefit pensions, and whilst it has taken steps to try to limit future liabilities by ceasing to offer a defined benefit scheme to new non-academic staff, many current employees participate in a defined benefit salary scheme. There has been an overall decrease in the FRS 102 pension deficit, which has reduced to £913k (£1,054k 2023-24). There has been no change to the USS pension scheme's deficit which is completely eliminated. The USS pension provision accounting adjustment is included in the Consolidated Statement of Income and Expenditure Account 2023-24, there being no adjustment necessary 2024-25.

Depreciation costs for operational buildings increased to £1,745k (£1,744k previous year), reflecting the college's depreciation policy.

College net assets increased slightly from £204.3m to £208.9m or by +2.3% at the end of the year. Endowment values increased due to generous donations and the aforementioned significant bequest for teaching and research. There is a decrease in cash held following the use of cash for expenditure on capital projects. There is a lower actuarial assessed defined benefit pension scheme deficit which provides a modest reduction in liabilities.

Capital Expenditure and Maintenance

The College's operational assets, the largest asset class of the College, remain a financial pressure for the College. During the year there was significant capital and building maintenance investment. Preparatory work was undertaken enabling the main contract to start in July 2025 on the major restoration of the Pepys Building, a project which will continue until late summer 2026. Other capital expenditure was for improvements to student accommodation, electrical infrastructure and vital riparian works. The College commissions a rolling condition survey of its operational estate which informs its

forward-looking five-year maintenance plan. Other significant survey planning has been undertaken to inform improvements in fire prevention in the operational building stock. The maintenance programme is designed to maintain and improve the estate and additional resources have been allocated to it in recent years, recognising the need to increase investment in the long-term maintenance of its operational estate. During the year the College invested in a building maintenance programme improving one of the larger student accommodation houses in Thompson's Lane, Cambridge.

Investment Policy and Performance

The College manages its investments in securities or its financial assets and directly owned property to produce the highest return consistent with the preservation of capital value in real terms for the long term and given the associated risks. The principal responsibility of the Governing Body in investing the College's endowment is to ensure the real value of the endowment is maintained after spending, consistent with the risk/return profile adopted and within a suitably diversified portfolio. The Governing Body expects, within the scope of this fiduciary duty, its fund managers to engage actively with companies to promote and support acceptable standards of practice in respect of their business activities and how they impact on their employees, the environment, and the communities in which they operate.

The Investments Committee undertakes an ongoing review of its responsible investment policy. The Governing Body approved a Statement of Investment Principles, which clearly sets out the investment objectives, risk appetite and responsible investment policy. The purpose of the endowment is to preserve the real value after making distributions and inflation and to provide a steady reliable cashflow to support the college. The College expects its fund managers to integrate a responsible investment approach and to align with the principles of the UN Compact. The Governing Body decided to strengthen the monitoring of fund manager responsibility policy and its impact by requiring annual reports from its managers on sustainable and responsible investment.

The College holds a securities-based portfolio which was valued at £62.8m (£62.4m previous year). Its principal fund manager is Baillie Gifford (managing £39.8m in 2024-25 and £40.8m previous year). The College has a duty to maximise return from its investments, but it does so in a manner to be consistent with the College's charitable mission. The College also has direct property and agricultural land holdings £40.6m (£39.7m in 2023-24). The direct property, which is managed by Cheffins, is held as a long-term strategic asset, with the policy of maximising yield, whilst the agricultural land is managed by Savills.

The Investments Committee, for its securities portfolio, maintained the total return policy of 3.25% spending rule and this resulted in a drawdown (from capital and income) of £1,798k (£1,632k in 2023-24). The unapplied total return fund provides a contingency sum in the event of falling capital values in financial markets and thus permits drawn down in adverse market conditions. Looking ahead, the Committee reviewed the spending rule during the year and recommended for an increase to the Governing Body for the next year, 2025-26. An increase to 3.5% was agreed.

The College has been generally pleased with the performance of the endowment over the medium term although weakness in the property market had proved painful and market volatility and US trade tariff policy has dented the performance of securities.

Directly held commercial property returned +6.6% in the year (-4.3% 2023-24). The Charities Property Fund returned +7.2%. It should be noted the directly held property is only externally valued periodically, currently on a five-year cycle.

The Baillie Gifford Responsible Global Equity Income fund underperformed with a net return of -0.9% for the year to June 2025, when set against a peer sector average return of +7.3% and against a market Index of +7.6%. The performance of the multi-asset lower volatility portfolios of Cazenove Capital and Troy Asset Management performed very well. Troy Ethical Multi-Asset fund returned +7.2% whilst Cazenove Capital's Sustainable Multi-Asset fund returned +5.2%. A £1m fixed term (12 month) deposit was, on maturity, re-invested and placed on another fixed term deposit along with a further £1m (12 months) to maximise returns on cash as interest rates remained strong.

During the year the College increased its investment in the University's endowment fund by £1m and a provisional year end valuation of the holding being c.£9.1m; performance was +2.9% for the nine months to March 2025.

Donations and Fundraising

Magdalene's primary fundraising efforts are directed at raising monies through major donations as well as by regular giving, and to add to the College's endowment. Key objectives for the College include teaching, research, and student support. Fundraising efforts for the year yielded £4.7m towards teaching and research, £1m in support of the Pepys Building restoration project and a further £531k towards student support. The College is truly grateful for the generous response, enthusiasm for and support of the College's fundraising efforts.

The ongoing support of our Members, friends and the Fellowship is particularly welcome and appreciated during these trying economic times. Over the course of 2024-25, donations to the College exceeded expectations with a continued focus on student support, teaching and research, and the Pepys Building restoration project. Despite the difficult economic climate, the 2025 Telephone Campaign raised new funds in excess of £175k, a figure ahead of initial expectations. The College is grateful to its members and supporters. The costs of fundraising efforts were £256k (£265k for 2023-24).

The College is registered with the Fundraising Regulator and continues to develop a shared understanding and agreement for activities concerning alumni, be it communications, attendance of events and use of data. The College has a Data Protection Statement which governs the use of any personal data held and the College insists alumni grant their consent in holding personal data. The College did not engage professional fundraisers during the year and does not seek to raise funds from members of the public.

Reserves, Endowment Funds and Associated Policy

Total College reserves and funds amounted to £208.9m. Within the College's endowment funds there are almost 100 trust funds supporting the College in achieving its aims.

These reserves are represented by the College's operational estate and to a large extent, the permanent endowment assets and, are therefore unavailable as income funds to be spent down. Collectively the College maintains its free revenue reserves and its earmarked designated reserves, after taking account of the assessed pension deficit. These are liquid unrestricted funds of the College. The Governing Body considers it prudent to hold sufficient unrestricted reserves and appropriate earmarked reserves in the event of major variations to the College's income and expenditure and has concluded that its general unrestricted free reserves should be 20% of annual income and that its building reserve should represent 1% of the insurable value of the operational estate. Together this amounts to £5.8m.

Unrestricted Reserves shown in the Balance sheet	£118.6m
Of which constitute fixed and heritage assets	(£103.8m)
Less pension provisions	(£ 0.9m)
Leaving unrestricted liquid reserves	£ 13.9m
Target Free Reserves in accordance with College Policy	£ 5.8m

The college's major designated reserves relate to student support (£2.7m), operational buildings (£3.1m), commercial property (£1.4m), and a major capital projects reservice (£5.4m). The college is expecting to draw down on its reserves over the course of the next few years.
After taking these specific funds into account and a specific building repairs fund for its commercial and operational property, the College has a sufficient level of general funds available as a contingency measure to support its operations.

Cash Flow and Treasury Management

The College's treasury management policy requires cash deposits to be spread across a range of counterparties, all of which must be at least Fitch A credit rated. Net cash funds decreased by £2,464k, from £5,805k to £3,341k over the year. Cash levels at the year end reflect additional investment on building improvements during the year.

Going Concern

A statement in respect of the College and its financial sustainability is given in the Statement of Principal Accounting Policies and explains that the financial statements have been prepared on a going concern basis. The College plans ahead, preparing detailed budgets looking three years ahead. The College also holds a healthy level of liquid funds to meet unexpected demands or changes in income streams.

PRINCIPAL RISKS

The College maintains a Major Risks Register that identifies what it considers the major risks to which the College is exposed and their assessed impact and probability of occurrence; this was reviewed and updated during the year. As outlined in the Governing Body's statement on Internal Controls the risk register is reviewed regularly by the principal

College Officers and the Finance & General Purposes Committee, and then final consideration by the Governing Body. As far as is practical the College then takes additional measures to mitigate key risks and where appropriate insurance cover is put in place. Nevertheless, the College is exposed to a variety of significant risks. Presently the known principal risks include:

- Significant harm to the reputation of the College as a constituent part of the collegiate university
- The long-term impact of climate change and the need to transition to a low carbon campus with wide ranging sustainable policies
- The risk of cyber-attacks and unauthorised access to protected digital data
- Adverse performance of financial markets and the real economy which would in-turn impact on the College's endowment assets and other income streams
- Any residual causal effect of the global pandemic and the medium-term disruption to global supplies of goods, services and labour and international travel
- The cost of employee defined benefit pensions schemes
- Significant unexpected expenditure on building maintenance
- Rapid changes in inflation across all expenditure heads
- The impact of government policy on College income and expenditure, and on individual student finances
- The strategic impact of government policy and any associated regulatory burden on College academic policy and governance arrangements
- Adverse events impacting on the College's academic standing of the college
- The fortunes of the local economy in terms of demand for commercial property in Cambridge
- The challenges of the regional transportation system and its implications for recruitment and retention of employees
- The on-going impact on the economy and supply chains of inflationary pressures and the Russian invasion of Ukraine and of US tariff trade policy
- The local labour market and the ability to attract and retain staff
- The risk of student occupations disrupting the College community and its operations

The College through its own financial planning and operational management aims to mitigate the impact or set aside resources in the event of such risks taking place. Across the collegiate university the University and the colleges work collectively to identify and manage common risks and share steps to manage known risks.

FINANCIAL OUTLOOK AND PLANS FOR THE FUTURE

Looking forward, the financial outlook for the college remains challenging but stable. It's positive that the inflationary forces have receded, particularly for food and energy, but they are still high for labour and building costs. Although Cambridge is a strong regional economy it has been feeling the economic impact from inflation and is suffering from relatively low business confidence. For commercial property demand for office space remains weak, and transaction volume exceedingly low in 2025 and 2024. Office space demand has mainly derived from office relocation rather than business expansion, and the pressure on the hospitality sector remains high. The international economic environment, particularly with US trade policy and the uncertainty over UK government taxation policy is holding back business confidence.

The college has had to set another deficit budget in 2025-26 which aims to give the college time to review and, if necessary, reshape some of its expenditure without impacting on general services and college life too severely as well as trying to grow college income, particularly commercial property and conferences revenues.

Student mental health and welfare are a sector and university wide priority with further resources being invested across the colleges and the university.

The College has advanced its preparations for a major capital project restoring and improving the Pepys building which commenced in July 2025 and other capital projects will focus on buildings fabric and infrastructure. These major projects will draw on designated reserve funds over the coming years. The college plans to advance its long term sustainability plans to reduce its impact on the environment.

Approved by the Governing Body on 16 October 2025

C J Greenwood
Master

S J Morris
Senior Bursar

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF PUBLIC BENEFIT
YEAR ENDED 30 JUNE 2025

The Governing Body is satisfied that the activities as described in these reports and accounts meet the public benefit requirements of a registered charity and to its regulator the Charity Commission.

Objects

By maintaining an academic community of the Master, Fellows, Scholars and other students the College is fulfilling its charitable objects as a place of religion, education, learning and research within the University of Cambridge.

Education

The College provides an education for some 376 (2024: 367) undergraduate and 140 (2024: 154) postgraduate fee-paying students which is recognised internationally as being of the highest standard. The education develops students intellectually 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, bursaries, and individual or small-group supervision, as well as pastoral, administrative and academic support through its directors of studies and tutorial and postgraduate mentoring systems, thereby enabling students both to develop personally and intellectually and to proceed to degrees of the University of Cambridge (and in some cases other qualifications);

- specialist choral musical education for its choral students, including provision of choral and organ scholarships;

- a residential community with social, cultural, musical, recreational and sporting facilities that enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College; and

- accommodation and catering at reasonable rates.

Research

In the same way the College advances knowledge and learning through:

- supporting research work pursued by its Fellows through promoting interaction between them and across disciplines, and providing facilities and grants for attendance at national and international conferences and research trips, and other resources for research;

- providing Research Fellowships to outstanding academics in the early stages of their careers, which enable 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;

- providing Fellows and academic staff with study rooms;

- encouraging visits from outstanding academics from other institutions, with or without the provision of accommodation and meals at the common table; and

- encouraging the dissemination of research undertaken by members of the College through the publication of books, papers in academic journals, or other suitable means.

Libraries

The College Library provides a valuable resource for students and Fellows of the College. The College also maintains an Old Library for its members and members of other Colleges and the University of Cambridge more widely, and for external scholars and researchers.

The Pepys Library, which is a collection of international significance, provides an educational resource for academics, allows access to organised tours by local children and institutions, and is regularly open for visits by the general public.

Gallery

The Robert Cripps Gallery, which is incorporated into the New Library building, provides a programme of open and free to access exhibitions throughout the year, In particular the gallery provides an additional high quality facility to the local community. During the course of the year there were 1,980 (2024:1,382) visitors to the gallery.

Beneficiaries

The resident members of the College, both students and academic Fellows/staff, are the primary beneficiaries and are directly engaged in education, learning or research.

However, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions, and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities and take meals at the common table. The general public are also able to attend various educational activities in the College such as Open Garden exhibitions, and the College's educational festivals. Subject to certain reasonable restrictions, the grounds of the College are open to the general public on most days of the year without charge.

Admissions

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 Fellows and 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, Fellows and academic staff of the College are drawn from across the UK and internationally;
- whilst students of the College are predominantly between 18 and 24 years old, there are no age restrictions in the College's objects, and many postgraduate students are older than 24 years; 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 charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to postgraduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government); and
- A fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to student support.

Student Support

In order to assist undergraduates entitled to student support the College provides, through a scheme operated in common with the University and other Colleges (the Cambridge Bursary Scheme), bursary support for those of limited financial means. (For the academic year 2024-25, the number of awards made was 77, out of a Home undergraduate population of 278; 38 of the awards were at the maximum value of £3,500; and the average value of the awards was £2,613.) The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. Supplementing the Cambridge Bursary Scheme, the College is committed to raising funds to award an enhanced bursary to every undergraduate eligible for the scheme's maximum £3,500 award. During 2024-25 the College was able to support 33 undergraduate students through this enhanced bursary scheme and a further third year undergraduate was assisted through the Carne MML Fund during their year abroad element of their studies.

To support postgraduate students, the College provides substantial financial support. This includes several scholarships to fund fees and living costs and 'top-up' to fill shortfalls in students' funding packages. The College has also established a Postgraduate Research Fund to assist postgraduates with expenses associated with research conferences and activities, usually in conjunction with the University. Awards are based upon academic criteria as well as the financial position of students. During the year the College provided financial assistance amounting to £252k from these schemes.

The College also offers support to all students through a grant scheme to assist with academic materials, supporting the costs of related short courses (e.g. language studies), and attendance at conferences. These awards are given following an evaluation of the academic relevance and the financial means of the student. The College provides a range of annual travel awards to provide opportunities to travel to complement academic study. Total travel awards made in 2024-25 were £49k

The Governing Body approved annual prizes and scholarships for undergraduates obtaining outstanding examination success. For 2024-25 122 students were awarded a prize or scholarship, the total cost was £41k.

Finally, the College operates a financial assistance scheme, which also partially contributes to the cost of the Cambridge Bursary Scheme, for all students needing financial assistance and is actively campaigning to raise additional funds from its members. Awards are assessed by the student's Tutor and are based upon the specific financial situation of the student. The combined costs for these financial awards were £21k for the year.

Access

The Access and Outreach team expanded in 2024, allowing the Widening Participation Officer and Schools Liaison Officer to work together to host a wide range of in-person and online outreach events. In the 2024/25 academic year, 9,500 pupils attended targeted events, including 45 webinars, 7 residential programmes, and 43 school visits to College. A particular highlight of the year was the Liverpool Event which attracted over 500 pupils and 80 teachers from across Merseyside and North Wales.

Religion

The College carries forward the tradition, 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 and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors;
- Maintains its choral tradition, which is integral to the provision of divine service in its Chapel, through the College's Choir;
- Supports, through the College Chaplain and through others, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none;
- Strives to maintain a College community which is socially cohesive and is supportive of its members from all faith backgrounds or none; and
- Maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron or joint Patron of 11 parishes.

There is no geographical, age or religious restriction on who may attend Chapel in the College and in practice those attending are highly varied and include those who do not follow the Christian faith. The pastoral services of the clergy of the College are available to all members of the College whatever their faith traditions or none.

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF INTERNAL CONTROL
YEAR ENDED 30 JUNE 2025

The Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes, the requirements of the Charity Commission and the Education Memorandum with the University of Cambridge.

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The process was in place for the year ended 30 June 2025 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Governing Body meets regularly throughout the year to consider the progress being made by the College, the effectiveness of its policies and plans which support the strategic direction of the College
- The Governing Body receives relevant reports from its committees concerning its policies, the risks and any specific issues in connection with the system of internal control
- A College risk register is maintained and reviewed regularly
- A system of risk ranking is used to monitor risks and to highlight the principal risks
- Risks are assigned responsibility to College Officers and Heads of Departments of the College
- The Finance and General Purposes Committee undertakes a detailed annual review of the risk register and briefs the Governing Body accordingly.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work and advice of College Officers and Heads of Department, who have operational responsibility for the maintenance and development of the internal control system.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the external auditors, through their comments in the management letter and other reports.

MAGDALENE COLLEGE, CAMBRIDGE
RESPONSIBILITIES OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2025

The Governing Body 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's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body 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 Governing Body 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 Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are 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 Governing Body 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.

Opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 Trustees are responsible for the other information. The other information comprises the information included in the Operating and Financial Review other than the financial statements and our Auditor's 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 this gives rise to a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and College and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review.
We have nothing to report in respect of the following matters in relation to which the Charities (accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- sufficient accounting records have not been kept Magdalene College; or
- the Magdalene College 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 Trustees

As explained more fully in the responsibilities of the Trustees statement, set out on page 19, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Trustees are responsible for assessing the Group's and College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the College or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out on page 28 were indicative of potential bias;
- we used Audit Data Analytics to review the client data for unusual anomalies;
- we performed substantive testing for a sample of donations from Raiser's Edge to supporting documentation to ensure that all income was appropriately recognised in the general ledger in the correct period and any restrictions appropriately recognised;
- we also tested a sample of donations around the year end and discussed ongoing legacies with the Development Office to ensure cut off had been correctly applied;
- we performed substantive testing for a sample of conferences from the booking system to invoice to ensure that all income was appropriately recognised in the general ledger in the correct period;

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

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

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

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 Auditor's Report.

Use of our report

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

PEM Audit Limited
Registered Auditors
Salisbury House, Station Road, Cambridge CB1 2LA
Date:

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

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
YEAR ENDED 30 JUNE 2025

Basis of preparation

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

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

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

Going concern

The financial statements have been prepared on a going concern basis. The College has also set a detailed budget plan for the 2025-26 financial year and outline budgets up to financial year end 2028. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans, demonstrate that the College has sufficient resources to meet liabilities as they fall due for a period of no less than 12 months from the date these financial statements are approved. The Governing Body, as the trustee body of the College, considers preparation of these financial statements using a going concern basis to be appropriate.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain operational land and buildings at deemed cost.

Basis of consolidation

The Consolidated Financial Statements include the College and its subsidiary undertaking, Cloverleaf Limited. Intra-group transactions are eliminated upon consolidation. The activities of student societies have not been consolidated. A separate balance sheet and related notes for the College only are not included because Cloverleaf Limited is a design and build company and therefore the balance sheet of the College would not be materially different to the one included in these accounts. Some details of the subsidiary undertaking are given in note 27.

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. The costs of any fees waived or written off by the College are included as expenditure.

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

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

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

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

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

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

Total return

The College invests its securities investment portfolio and allocates a proportion of the related earnings and capital appreciation to the income and expenditure account in accordance with the total return investment concept. The allocation to income is determined by a spending rule, currently 3.25%, which is designed to stabilise annual spending levels from the endowment. The income transferred to the consolidated Statement of Comprehensive Income and Expenditure on this total return basis is calculated by a formula that uses the weighted average value of the College's securities portfolio over a three-year period up to the commencement of the current accounting year. Details are given in note 3.

Investment income and change in value of investment assets

Investment income and any 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.

Cambridge Bursary Scheme

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

The net payment of £122k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1):	£99k
Expenditure:	£221k

Pension schemes

The College participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions, and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme and the deficit recovery contributions payable under the scheme's Recovery Plan. Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The College recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement. Further disclosures relating to the deficit recovery liability can be found in note 25.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

Because of the mutual nature of the Church of England Funded Pension Scheme, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period and expenses accrued in that year, plus any impact of deficit contributions. Since the College has entered into a 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 the resulting expense in the Statement of Comprehensive Income and Expenditure in accordance with Section 28 of FRS 102.

The College offers a defined contribution pension scheme for non-academic staff. For staff employed before 1 April 2014 this was the Cambridge Colleges Group Pension Scheme. For staff employed after that date it is the NOW: Pensions Scheme. The assets of both those defined contribution schemes are held separately from those of the College. The annual contributions payable are charged to the Statement of Comprehensive Income and Expenditure.

Tangible fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold operational buildings are depreciated on a straight line basis over their expected useful lives as follows:

the structure between 41 and 100 years
the internal fit-out between 15 and 35 years
the mechanical and electrical services between 10 and 35 years

Buildings under the course of construction are valued at cost, based on the value of architects' certificates and any other direct costs incurred. They are not depreciated until they are brought into use. The cost of additions to operational property shown in the balance sheet includes the cost of land.

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.

Maintenance of premises
The College has a five year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is shown in the consolidated Statement of Comprehensive Income and Expenditure as it is incurred. The cost of major refurbishment and maintenance which restores or improves value is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs, these being disclosed within unrestricted reserves.

Equipment
Equipment costing less than £5,000 per individual item or group of related items is written off in the year of purchase. All other equipment is capitalised and depreciated over their expected useful life as follows:

Furniture and equipment	10 years
Energy regeneration	20 years
Library books	15 years
Information technology	3 or 5 years
Catering & conference equipment	5, 10 or 20 years

Where equipment is acquired with the aid of specific bequests or donations it is capitalised and depreciated. The related benefactions are credited to income in the year it arises.

Heritage assets
The College holds and conserves two book collections which are of historical and cultural importance. The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. There were no additions to Heritage assets during the year ended 30 June 2025. 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 fair value on 30 June each year, except for investments in the subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.

Direct property
Investment properties are included at fair valuation and the aggregate surplus or deficit is transferred to Unrestricted Reserves. A formal valuation is performed at least every 5 years. For commercial property holdings, a formal valuation is undertaken every 5 years, and for the intervening years regional yields published by third party property specialists, such as Knight Frank or Savills, for differing property uses is being adopted. The last formal valuation for agricultural land was carried out by FPD Savills as at 30 June 2023.

Stocks

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

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.

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party

to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

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

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

Foreign currency translation

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

Taxation

The College is a registered charity (number 1138143) 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 to 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 the 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 as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

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 estimates and judgements

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

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

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

Investment property
Properties are revalued to their fair value at the reporting date by using regional yields information published by third party property specialists. Any valuation is based on the assumptions and judgements which are influenced by a variety of factors including market and other economic changes.

Pensions

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Governing Body is satisfied that the scheme provided by USS and the Church of England Funded Pension Scheme meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
YEAR ENDED 30 JUNE 2025

		2025				2024			
	Note	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	3,326	99	-	3,425	3,109	92	-	3,201
Accommodation, catering and conferences	2	5,084	-	-	5,084	4,817	-	-	4,817
Investment income	3	2,359	115	1,661	4,135	2,724	167	1,469	4,360
Endowment return transferred	3	658	1,140	(1,798)	-	597	1,035	(1,632)	-
Other income		219	59	-	278	202	51	-	253
Total income before donations and endowments		11,646	1,413	(137)	12,922	11,449	1,345	(163)	12,631
Donations		378	581	-	959	315	1,877	-	2,192
New endowments		-	-	4,707	4,707	-	-	230	230
Other donations for assets		-	1,221	-	1,221	-	-	-	-
Total income		12,024	3,215	4,570	19,809	11,764	3,222	67	15,053
Expenditure									
Education	4	4,987	1,474	-	6,461	4,700	1,549	-	6,249
Accommodation, catering and conferences	5	6,932	(219)	-	6,713	6,763	139	-	6,902
Investment management costs	3	62	-	202	264	70	-	192	262
Other expenditure	6	1,179	126	-	1,305	1,069	114	-	1,183
Change in USS pension deficit recovery provision contributions	7,16	-	-	-	-	(952)	-	-	(952)
Contribution under Statute G, II		21	-	-	21	25	-	-	25
Total expenditure	7	13,181	1,381	202	14,764	11,675	1,802	192	13,669
Surplus/(deficit) before other gains / losses		(1,157)	1,834	4,368	5,045	89	1,420	(125)	1,384
Gain/(loss) on investments	10	(44)	(51)	(590)	(685)	265	281	562	1,108
Surplus/(deficit) for the year		(1,201)	1,783	3,778	4,360	354	1,701	437	2,492
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	16	116	-	-	116	44	-	-	44
Total comprehensive income for the year		(1,085)	1,783	3,778	4,476	398	1,701	437	2,536

The notes on pages 34 to 53 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 30 JUNE 2025

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2024	119,450	10,067	74,860	204,377
Surplus/(Deficit) from income and expenditure statement	(1,201)	1,783	3,778	4,360
Other comprehensive income	116	-	-	116
Release of capital funds spent in year	200	(200)	-	-
Transfers	(4)	4	-	-
Balance at 30 June 2025	118,561	11,654	78,638	208,853

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2023	119,058	8,360	74,423	201,841
Surplus/(Deficit) from income and expenditure statement	354	1,701	437	2,492
Other comprehensive income	44	-	-	44
Release of capital funds spent in year	-	-	-	-
Transfers	(6)	6	-	-
Balance at 30 June 2024	119,450	10,067	74,860	204,377

The notes on pages 34 to 53 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED BALANCE SHEET
YEAR ENDED 30 JUNE 2025

	Note	2025 £000	2024 £000
Non-current assets			
Fixed assets	9a	103,530	103,554
Heritage Assets	9b	264	264
Investments	10	105,980	103,518
		209,774	207,336
Current assets			
Stocks	11	212	210
Trade and other receivables	12	5,956	1,869
Cash and cash equivalents	13	3,341	5,805
		9,509	7,884
Creditors: amounts falling due within one year	14	(4,481)	(3,835)
Net current assets		5,028	4,049
Creditors: amounts falling due after more than one year	15	(5,036)	(5,954)
Provisions			
Pension provisions	16	(913)	(1,054)
Total net assets		208,853	204,377
Restricted reserves			
Income and expenditure reserve - endowment reserve	17	78,638	74,860
Income and expenditure reserve - restricted reserve	18	11,654	10,067
		90,292	84,927
Unrestricted reserves			
Income and expenditure reserve - unrestricted		118,561	119,450
Total reserves		208,853	204,377

These financial statements were approved by the Governing Body on 16 October 2025 and are signed on their behalf by:

C J Greenwood
Master

S J Morris
Senior Bursar

The notes on pages 34 to 53 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2025

	Note	2025 £000	2024 £000
Net cash inflow/(outflow) from operating activities	19	(1,100)	(632)
Cash flows from investing activities	20	(732)	3,090
Cash flows from financing activities	21	(632)	(647)
Increase/(decrease) in cash and cash equivalents in the year		(2,464)	1,811
Cash and cash equivalents at beginning of the year		5,805	3,994
Cash and cash equivalents at end of the year	13	3,341	5,805

The notes on pages 34 to 53 form part of these accounts

1. Academic fees and charges

	2025 £000	2024 £000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,258	1,274
Fee income received at the Unregulated Undergraduate rate	1,146	960
Fee income received at the Postgraduate rate	735	744
Research income	187	131
Cambridge Bursary scheme	99	92
Total	3,425	3,201

2. Income from accommodation, catering and conferences

		2025 £000	2024 £000
Accommodation	College members	2,584	2,558
	Conferences	753	663
Catering	College members	1,044	1,001
	Conferences	703	595
Total		5,084	4,817

3. Endowment return and investment income

		2025 £000	2024 £000
3a.	**Analysis**		
	Total return contribution (see note 3b)	1,798	1,632
	Income from:		
	Freehold land and buildings	2,291	2,669
	Unit Trust Scheme	-	-
	Cash Deposits	184	221
	Total	4,273	4,522

3b. Summary of total return

	2025 £000	2024 £000
Income from:		
Quoted and other securities and cash	1,661	1,469
Gains on endowment assets:		
Quoted and other securities and cash	(385)	4,867
Investment management costs (see note 3c)	(202)	(192)
Total return for year	1,074	6,144
Total return transferred to income and expenditure reserve (see note 3a)	(1,798)	(1,632)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	(724)	4,512
Unapplied total return at beginning of year	27,296	22,784
Unapplied total return at end of year	26,572	27,296

3c. Investment management costs

	2025 £000	2024 £000
Quoted security – equities	-	-
Other investments	202	192
Fixed interest securities	-	-
Investment management costs included within note 3b	201	192
Freehold Land and Buildings	62	70
Total	264	262

4. Education expenditure

	2025 £000	2024 £000
Teaching	2,834	2,779
Tutorial	894	890
Admissions	783	740
Research	866	713
Scholarships and awards	784	830
Other educational facilities	300	297
Total (note 7)	6,461	6,249

5. Accommodation, catering and conferences expenditure

		2025 £000	2024 £000
Accommodation	College members	3,445	4,144
	Conferences	1,082	697
Catering	College members	1,360	1,416
	Conferences	826	645
Total (note 7)		6,713	6,902

6. Other expenditure

	2025 £000	2024 £000
Loan interest	162	177
USS pension interest charge	-	21
FRS 102 pension schemes interest charge	54	54
Staff Costs	261	299
Depreciation	36	36
Estates costs	307	307
Restricted Funds Other Expenditure	126	116
Other general and administrative	359	173
Total	1,305	1,183

7a. Analysis of 2024/25 expenditure by activity

	Staff costs (note 8) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	3,020	2,812	629	6,461
Accommodation, catering and conferences (note 5)	2,740	2,892	1,081	6,713
Investment management costs (note 3c)	-	264	-	264
Other expenditure	262	1,008	35	1,305
Change in USS pension deficit recovery pension provision	-	-	-	-
Contribution under Statute G, II	-	21	-	21
	6,022	6,997	1,745	14,764

Expenditure includes fundraising costs of £256k. This expenditure does not include the costs of alumni relations.

7b. Analysis of 2023/24 expenditure by activity

	Staff costs (note 8) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,735	2,887	627	6,249
Accommodation, catering and conferences (note 5)	2,617	3,203	1,082	6,902
Investment management costs (note 3c)	-	262	-	262
Other expenditure	299	849	35	1,183
Change in USS pension deficit recovery pension provision	(952)	-	-	(952)
Contribution under Statute G, II	-	25	-	25
	4,699	7,226	1,744	13,669

Expenditure includes fundraising costs of £265k. This expenditure does not include the costs of alumni relations.

7c. Auditors remuneration

	2025 £000	2024 £000
Other operating expenses include:		
Audit fees payable to College's external auditors	30	32

8. Staff

	Academic 2025 £000	Non-academics 2025 £000	Total 2025 £000	Total 2024 £000
Staff Costs				
Salaries	1,045	4,212	5,257	4,871
National Insurance	91	360	451	400
Pension costs (note 25)	132	182	314	415
Net change in USS deficit recovery provision (see Note 16)	-	-	-	(987)
Subtotal of pension costs (see Note 8b.)	132	182	314	(572)
Total	1,268	4,754	6,022	4,699

Based on the 2024 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit of £0 (2024: £987k). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £0 (2024: £952k) and cash contributions made to reduce the deficit in the year of £0 (2024: £35k).

Average staff numbers (full-time equivalents)	**Average staff number 2025**		**Average staff number 2024**	
	Number of Fellows	**Full-time equivalents**	**Number of Fellows**	**Full-time equivalents**
Academic	57		56	
Non-academics	3	110	3	106
	60	110	59	106

At the Balance Sheet date there were 45 (2024: 45) members of the Governing Body. During the year the number receiving remuneration was 44 (2024: 45) who are included in the 60 (2024: 59) remunerated Fellows shown above.

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

	2025 Number	2024 Number
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
£140,001 - £150,000	-	-
£150,001 - £160,000	1	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.

8a. Key management personnel

	Total 2025 £000	Total 2024 £000
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are therefore the trustees. 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.	897	887

Aggregated remuneration

The Trustees received no remuneration in their capacity as Trustees of the Charity, these payments relate to their capacity as College Officers.

8b. Pension costs

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

	Employer contributions 2025 £000	Provisions (Note 16) 2025 £000	Total 2025 £000	Employer contributions 2024 £000	Provisions (Note 16) 2024 £000	Total 2024 £000
USS	213	-	213	248	(987)	(739)
CCFPS	80	-	80	1	-	1
Other	21	-	21	166	-	166
Total	314	-	314	415	(987)	(572)

9a. Fixed assets

	Freehold Land £000	Buildings £000	Furniture & Equipment £000	Energy Regeneration £000	Library Books £000	Information Technology £000	Motor Vehicles £000	Total £000
Original cost/valuation								
At beginning of year	40,020	76,265	1,363	75	210	272	30	118,235
Additions at cost		1,565	57	-	20	63	16	1,721
Disposals	-	-	-	-	(6)	-	-	(6)
Reclassification		-	-	-	-	-	-	-
At end of year	40,020	77,830	1,420	75	224	335	46	119,950
Depreciation								
At beginning of year	-	13,316	1,080	32	95	151	7	14,681
Charge for the year	-	1,658	43	4	15	20	5	1,745
Eliminated on disposals	-	-	-	-	(6)	-	-	(6)
At end of year	-	14,974	1,123	36	104	171	12	16,420
Net book value								
At end of year	40,020	62,856	297	39	120	164	34	103,530
At beginning of year	40,020	62,949	283	43	115	121	23	103,554

The insured value of freehold land and buildings at 30 June 2025 was £181,161k (2024: £175,744k).

9b. Fixed assets (continued)

Heritage assets

The College holds and conserves two book collections which are of historical and cultural importance. These comprise the Pepys Library and the Old Library, which provide a valuable research and educational resource. In respect of these collections, the College's practice is to preserve, conserve and manage the items in its care; to augment the collections where appropriate and within the limited resources available; to enable and encourage access to and use of the collections for teaching and research; and to enable access to and engagement with the Pepys library collection of books by members of the public.

The College holds and conserves a collection of statues that are of cultural importance. In respect of this collection, the College's practice is to preserve, conserve and manage the items in its care; to augment the collection where appropriate and within the limited resources available; to enable and encourage access to and use of the collection for teaching and research; and to enable access to and engagement with the College's collections by members of the public.

The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. During the year ended 30th June 2025, there were no additions to Heritage assets. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

	2025 Total £000	2024 Total £000
Balance at beginning of year	264	264
Acquisitions gifted	-	-
Acquisitions purchased	-	-
Total cost of acquisitions	264	264
At end of year	264	264

10. Investments

	2025 Total £000	2024 Total £000
Balance at beginning of year	103,518	101,345
Additions	4,671	2,708
Disposals proceeds	(2,651)	(1,549)
Appreciation on revaluation	(685)	1,108
Increase in cash balances held at fund managers	1,127	(94)
Balance at end of year	105,980	103,518
Represented by:		
Property	40,577	39,729
Unit Trust Scheme	9,202	8,127
Other investments	53,643	54,230
Cash held for reinvestment	2,558	1,432
	105,980	103,518

Investments held by the College also include an additional £1 (2024: £1) investment in the subsidiary company at cost. (see note 27)

11. Stocks

	2025 £000	2024 £000
Goods for resale:		
Catering	29	34
Fellows Wine	169	162
Merchandise	14	14
	212	210

12. Trade and other receivables

	2025 £000	2024 £000
Members of the College	177	255
Rents	724	736
Conferences	117	90
Other receivables	4,938	788
	5,956	1,869

13. Cash and cash equivalents

	2025 £000	2024 £000
Bank deposits	1,772	4,503
Current accounts	1,569	1,302
Cash in hand	-	-
	3,341	5,805

14. Creditors: amounts falling due within one year

	2025 £000	2024 £000
Bank loans	470	470
Due to tradesmen and others	1,430	1,297
University fees	113	123
Advance deposits – students	654	318
Caution money	191	209
Contribution to Colleges Fund	21	25
Other creditors	202	200
Accruals and deferred income	1,371	1,093
Deferred research income	29	100
	4,481	3,835

15. Creditors: amounts falling due after more than one year

	2025 £000	2024 £000
Bank loans	4,465	4,935
Fee deposits	571	1,019
	5,036	5,954

16. Pension provisions

	CEFPS £000	CCFPS £000	USS £000	2025 £000	2024 £000
Balance at beginning of year	-	1,054	-	1,054	2,011
Movement in the year					
Current service cost including life assurance	-	21	-	21	16
Contributions	-	(101)	-	(101)	(17)
Other finance cost	-	54	-	54	75
Actuarial (gain) recognised in Statement of Comprehensive Income and Expenditure	-	(115)	-	(115)	(44)
Remaining change in balance sheet liability recognised in SoCIE	-	-	-	-	-
Net change in underlying assumptions (see Note 8) -					
- Change in underlying assumptions	-	-	-	-	(952)
- USS deficit contributions payable	-	-	-	-	(35)
Balance at end of year	-	913	-	913	1,054

17. Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2025 Total £000	2024 Total £000
Balance at beginning of year				
Capital	34,595	40,265	74,860	74,423
New donations and endowments	4,707	-	4,707	230
Fund transfers	-	-	-	-
Increase/(decrease) in market value of investments	(408)	(521)	(929)	207
Balance at end of year	38,894	39,744	78,638	74,860
Analysis by type of purpose				
Fellowships	16,817	-	16,817	12,330
Student Hardship and Bursaries	7,978	-	7,978	8,027
Postgraduate Scholarships	6,667	-	6,667	6,742
Undergraduate Scholarships and Prizes	1,682	-	1,682	1,702
Travel Awards	368	-	368	373
Music, Chapel and Choir	457	-	457	462
Student Sports and Culture	1,059	-	1,059	1,068
Library Funds	2,801	-	2,801	2,820
Other Funds	1,065	-	1,065	1,072
Corporate Capital	-	39,744	39,744	40,264
	38,894	39,744	78,638	74,860
Analysis by asset				
Property	-	40,444	40,444	39,596
Less Bank loan	-	(4,935)	(4,935)	(5,405)
Securities	38,894	4,199	43,093	40,634
Cash	-	36	36	35
	38,894	39,744	78,638	74,860

18. Restricted Reserves

Reserves with restrictions are as follows:

Consolidated	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2025 Total £000	2024 Total £000
Balance at beginning of year					
Capital	-	-	6,521	6,521	5,112
Accumulated income	-	3,546	-	3,546	3,248
	-	3,546	6,521	10,067	8,360
New donations	-	-	1,802	1,802	1,877
Fund transfer	-	-	-	-	-
Endowment return transferred	-	1,014	126	1,140	1,036
Other income	-	72	201	273	309
Increase/(decrease) in market value of investments	-	-	(51)	(51)	281
Transfers	-	4		4	6
Release of capital funds spent in year	-	-	(200)	(200)	-
Expenditure	-	(769)	(612)	(1,381)	(1,802)
Balance at end of year	-	3,867	7,787	11,654	10,067
Capital	-	-	7,787	7,787	6,521
Accumulated income	-	3,867	-	3,867	3,546
	-	3,867	7,787	11,654	10,067
Analysis of other restricted funds/donations by type of purpose					
Fellowships	-	1,370	2,966	4,336	4,431
Student Hardship and Bursaries	-	1,537	518	2,055	2,071
Postgraduate Scholarships	-	490	97	587	522
Undergraduate Scholarships and Prizes	-	233	1,039	1,272	1,102
Travel Awards	-	67	38	105	109
Music, Chapel and Choir	-	75	-	75	67
Student Sports and Culture	-	64	13	77	59
Library Funds	-	31	7	38	51
New Library Funds	-	-	-	-	-
Other Funds	-	-	3,109	3,109	1,655
	-	3,867	7,787	11,654	10,067

Within Other Funds the Pepys Building Restoration Fund at the year end was £2,798k. Expenditure to 30 June 2025 totalled £806k which, upon completion of the project, will be transferred from Restricted Reserves to Unrestricted Reserves.

19. Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2025 £000	2024 £000
Surplus for the year	4,360	2,492
Adjustment for non-cash items		
Depreciation	1,745	1,749
Investment income	-	-
Decrease/(Increase) in stocks	(2)	(19)
Decrease/(Increase)in trade and other receivables	(4,087)	893
(Decrease)/Increase in creditors	198	457
Movement in pension deficit	(26)	(913)
(Gain)/loss on investment	685	(1,108)
Donated Heritage Assets	-	-
Adjustment for investing or financing activities		
Investment income	(4,135)	(4,360)
Interest paid	162	177
Net cash inflow from operating activities	(1,100)	(632)

20. Cash flows from investing activities

	2025 £000	2024 £000
Investment income	4,135	4,360
Non-current investment disposal	2,651	1,549
Endowment funds invested	(5,797)	(2,615)
Payments made to acquire non-current assets	(1,721)	(204)
Total cash flows from investing activities	(732)	3,090

21. Cash flows from financing activities

	2025 £000	2024 £000
Interest paid	(162)	(177)
Repayments of amounts borrowed	(470)	(470)
Total cash flows from financing activities	(632)	(647)

22. Consolidated reconciliation and analysis of net debt

	At July 2024	Cash Flows	Acquisitions & Disposal of subsidiaries	New finance leases	Other non-cash changes	Changes in market value and exchange rates	At 30 June 2025
	£000	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	5,805	(2,464)	-	-	-	-	3,341
Borrowings: amounts falling due within one year							
Unsecured loans	(470)		-	-	-	-	(470)
Bank overdraft	-	-	-	-	-	-	-
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(470)	-	-	-	-	-	(470)
Borrowings: Amounts falling due after more than one year							
Unsecured loans	(4,935)	470	-	-	-	-	(4,465)
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(4,935)	470	-	-	-	-	(4,465)
	400	(1,994)	-	-	-	-	(1,594)

23. Financial Instruments

	2025 £000	2024 £000
Financial assets		
Financial assets that are equity instruments measure at cost less impairment		
Other investments	62,845	62,789
Financial assets that are debt instruments measure at amortised cost		
Cash and cash equivalents	3,341	5,805
Other debtors	5,807	1,804
Financial liabilities		
Financial liabilities measure at amortised cost		
Loans	4,935	5,405
Trade creditors	1,431	1,297
Other Creditors	1,751	1,894

24. Capital commitments

	2025 £000	2024 £000
Capital commitments at 30 June are as follows:		
Authorised and contracted	1,353	-

25. Pension Schemes

The College participates in three defined benefit schemes and two defined contribution schemes. The defined benefit schemes are the Universities Superannuation Scheme (USS), the Cambridge Colleges' Federated Pension Scheme (CCFPS) and the Church of England Funded Pensions Scheme (CEFPS). The defined contribution schemes are the NOW: Pensions scheme and the Cambridge Colleges Group Pension Scheme. The details of the schemes are as follows:

Universities Superannuation Scheme

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 16, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account in the prior year.

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

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

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

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

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

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

	2023 valuation
Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.40% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% p.a. for males and 1.60% p.a. for females

25. Pension Schemes continued

The current life expectancies on retirement at age 65 are:

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

Cambridge Colleges' Federated Pension Scheme

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

The liabilities of the plan have been calculated, at 30 June 2025, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions 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:

	2025 % p.a.	2024 % p.a.
Discount rate	5.50	5.10
Increase in salaries to 2030	2.75	2.90
Increase in salaries from 2031	3.65	3.80
Retail Prices Index (RPI) assumption	2.90	3.35
Consumer Prices Index (CPI) assumption to 2030	1.90	2.35
Consumer Prices Index (CPI) assumption from 2031	2.80	3.25
Pension Increases in payment (CPI Max 2.5% p.a.)	2.85	2.00

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

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

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

	Male	Female
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.

25. Pension Schemes continued

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

	2025 £	2024 £
Present value of plan liabilities	(5,119,359)	(5,595,887)
Market value of plan assets	4,206,110	4,541,294
Net defined benefit asset/(liability)	**(913,249)**	**(1,054,593)**

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

	2025 £	2024 £
Current service cost	-	-
Administrative expenses	20,935	15,918
Interest on net defined benefit (asset)/liability	53,809	54,420
Loss/(gain) on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	**74,744**	**70,338**

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

	2025 £	2024 £
Present value of plan liabilities at beginning of period	5,595,887	5,587,216
Current service cost	-	-
Employee contributions	-	-
Benefits paid	(310,558)	(284,996)
Interest on plan liabilities	277,569	283,219
Actuarial losses/(gains)	(443,539)	10,448
Loss/(gain) on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	**5,119,359**	**5,595,887**

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

	2025 £	2024 £
Market value of plan assets at beginning of period	4,541,294	4,541,875
Contributions paid by the College	100,584	17,245
Employee Contributions	-	-
Benefits paid	(310,558)	(284,996)
Administrative expenses paid	(21,942)	(18,372)
Interest on plan assets	223,760	228,799
Return on assets, less interest included in Profit & Loss	(327,028)	56,743
Market value of plan assets at end of period	**4,206,110**	**4,541,294**

Actual return on plan assets	(103,268)	285,542

25. Pension Schemes continued

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

	2025	2024
Equities	50%	46%
Bonds & Cash	37%	42%
Property	13%	12%
Total	**100%**	**100%**

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

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

	2025	2024
	£	£
Return on assets, less interest included in Profit & Loss	(327,028)	56,743
Expected less actual plan expenses	(1,007)	(2,454)
Experience gains and losses arising on plan liabilities	9,787	(28,224)
Changes in assumptions underlying the present value of plan liabilities	433,752	17,776
Remeasurement of net defined benefit liability recognised in OCI	**115,504**	**43,841**

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

	2025	2024
	£	£
Net defined asset/(liability) at beginning of year	(1,054,593)	(1,045,341)
Recognised in Profit and Loss	(74,744)	(70,338)
Contributions paid by the College	100,584	17,245
Remeasurement of net defined benefit liability recognised in OCI	115,504	43,841
Net defined benefit asset/(liability) at end of year	**(913,249)**	**(1,054,593)**

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 actuarial valuation are different to those adopted under FRS102.

The last such actuarial valuation was as at 31 March 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 12 June 2024 and are as follows:

- Annual contributions of not less than £79,649 per annum payable for the period to 30 March 2030.

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

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25. Pension Schemes continued

Other Pension Schemes

The College participates in three other pension schemes:

NOW: Pensions

The College appointed NOW: Pensions to provide its workplace pension scheme for its non-academic staff from 1 April 2014. NOW: Pensions provides a defined contribution scheme which invests employer and employee contributions to provide a member specific fund that will be converted into pension on the member's retirement. There were contributions of £32k (2024: £25k) outstanding as at the year end due to NOW: Pensions.

Cambridge Colleges Group Personal Pension Scheme

The College offered a defined contribution pension scheme to its non-academic staff until April 2014. The pension cost for this scheme represents contributions payable by the College, plus the set-up costs. There were contributions of £2k (2024: £2k) outstanding as at the year end due to the Cambridge Colleges Group Personal Pension Scheme.

Church of England Funded Pensions Scheme

Magdalene College (Cambridge) 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 Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions 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 FRS 102. 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 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £0).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus 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 tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.
The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

% of pensionable stipends
31 December 2021 7.1% payable from January 2021 to December 2022
31 December 2022 Nil
31 December 2023 Nil

25. Pension Schemes continued

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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 FRS 102 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.

	2024	2023
Balance sheet liability at 1 January	0	0
Deficit contribution paid	0	0
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	0
Balance sheet liability at 31 December	0	0

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

The legal structure of the scheme is such that if another Responsible Body fails, Magdalene College (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

The total pension cost for the year to 30 June (see note 8) was as follows:

	2025	**2024**
	£000	£000
USS: Contributions	213	248
CCFPS: Charged/(Credited) to SOCIE	80	1
Other Schemes	21	166
	314	415

26. Related Party Transactions

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

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

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

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

26. Related Party Transactions continued

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

		2025	2024
From	To		
£1	£10,000	29	29
£10,001	£20,000	7	7
£20,001	£30,000	1	2
£30,001	£40,000	1	2
£40,001	£50,000	2	-
£50,001	£60,000	-	-
£60,001	£70,000	1	1
£70,001	£80,000	-	-
£80,001	£90,000	-	-
£90,001	£100,000	1	1
£100,001	£110,000	1	1
£110,001	£120,000	1	1
	Total	44	44

The total Trustee salaries were £726k for the year (2024: £705k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £170k for the year (2024: £182k).

The College has one trading subsidiary, Cloverleaf Limited, which is consolidated into these accounts. Cloverleaf Limited is 100% owned by the College and is 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 grouped companies that are related parties.

27. Principal subsidiary and associated undertakings and other significant investments

	Cost £	Class of shares	Holding
Cloverleaf Limited	1	Ordinary	100%

The principal activity of the above company is the development of the grounds and buildings of Magdalene College, Cambridge. This company is included in these consolidated financial statements.

THE COLLEGE OF ST MARY MAGDALENE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137542

Accounts

MAGDALENE COLLEGE
CAMBRIDGE

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2024

Registered Charity Number 1137542

MAGDALENE COLLEGE, CAMBRIDGE
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2024

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MAGDALENE COLLEGE, CAMBRIDGE
FELLOWSHIP
YEAR ENDED 30 JUNE 2024

FELLOWSHIP

Governing Body (Trustees of the charity)

Sir Christopher Greenwood GBE CMG KC, MA, LLM
N R Carroll, MA, MB, BChir
J R Patterson, MA, PhD
M E J Hughes, MA, PhD
Professor B J Burchell, MA, PhD (Warwick)
Professor S Martin, MA, PhD
Professor T N Harper, MA, PhD
Professor N G Jones, MA, LLM, PhD
Professor H Babinsky, MA, PhD (Cranfield)
Professor P Dupree, MA, PhD
Professor S K F Stoddart, MA, PhD
Professor T A Coombs, MA, PhD
Professor H Azérad, MA, PhD
A L Hadida, MA, PhD
Professor C S Watkins, MA, MPhil, PhD
Professor A L Du Bois-Pedain, MJur (Oxon)
Professor S C Mentchen, MA
S J Morris, BA (Newcastle), FCA, IPFA
R M Burnstein, MB, BS, PhD
G P Pearce, MA, PhD
Professor C Brassett, MB, BChir, MChir, FRCS
Professor M J Waithe, MA (Leeds), PhD
C D Lloyd, MA (Kent)
R L Roebuck, MEng, MA, PhD
Professor A K Bennison, PhD (London)
Professor L C Skinner, MPhil, PhD
Professor E So, MEng, PhD, CEng
Professor W T Khaled, MA, PhD
A Ercole, MA, PhD, PG Dipl, MB BChir, FRCA
T G Euser, MSc, PhD (Twente)
J M Munns, MA (Durham), MPhil (Bristol), PhD, FRSA
S A Bacallado, PhD
Professor S Dubow, DPhil (Oxon)
Professor S J Eglen, DPhil (Oxon)
Professor J J Orr, PhD
The Revd S C Atkins, MA
Professor P J Lane, MA, PhD
A Mills, DipABRSM, MA, BCL (Oxon), Barrister at Law (Gray's Inn)
E Gallo, MPhil, DPhil (Oxon)
S Ravenscroft, MA (Nottingham), PhD
J Patterson, MA (London), PhD (Manchester) (to 30 September 2023)
C Whitely, MPhil (London), PhD (LSE) (to 31 August 2023)
Professor K Okkenhaug, PhD (Toronto, Canada)
Professor L G Fisher, MA (St Andrews), PhD
A Bryan, MA (York), PhD (London) (from 1 September 2023)
J Hauge, PhD (from 1 December 2023)
Z Bond, MEng, MA, PhD (from 1 January 2024)

Emeritus Fellows

Professor P J Grubb, ScD
R Hyam, LittD
P E Reynolds, ScD
His Honour C F Kolbert, MA, PhD
Professor N Boyle, LittD, FBA
Professor R J S Spence, MA, PhD
Professor E Duffy, DD, FBA
Professor N Rushton, MD
Professor H A Chase, ScD, FREng
Professor M A Carpenter, ScD
K Patel, MA, MSc, PhD (Essex)
Professor T Spencer, MA, PhD

Junior Research Fellows

A Baez-Ortega, PhD (to 30 September 2023)
D Dunkelmann, MSc (Zurich), PhD
P Asimov-Hofmann, AB (Brown), MSt (Oxon), PhD
H Marshall, MA (Brown), PhD
B Peng, MSc (Fudan, China)
G Giovannetti-Singh, PhD (from 1 October 2023)
M-R Ivan, PhD (from 1 October 2023)

Senior Research Fellows

P M Steele, MPhil, PhD
A Neumann, MA, PhD
Professor F Aigbirhio, MA, DPhil, CChem, FRSC
Professor D A S Fergusson OBE, MA (Glasgow), BD (Edinburgh), DPhil (Oxon), DD, FBA, FRSE (to 30 September 2023)
T Licence MA, MPhil, PhD, FHEA, FRHistS, FSA
S Caputo, MSc (Edinburgh), PhD
A Lefauve, MSc, PhD
Professor A Fialkov, MSc, PhD (Tel Aviv, Israel)
A Baez-Ortega, PhD (from 1 October 2023)
Professor G Neff, M Phil PhD (Columbia) (from 1 October 2023)

Life Fellows

M D Billinge, MA, PhD
A R Thompson, MBE, MA, MPhil
Professor T H Clutton-Brock, ScD, FRS
S Halper, PhD
Professor E H Cooper, LittD, FBA
Professor E Rothschild CMG, MA
Professor J R Raven MA, PhD, LittD, FRA
M C Skott, PhD

Bye-Fellows

V Vitaliev, MA (Kharkiv), PhD (Moscow) (to 30 September 2023)
C MacKenzie, PhD (ANU, Australia)
Z Bond, MA PhD (to 31 December 2023)
R Hall Maudslay, MEng (to 30 September 2023)
M-R Newis, MPhil (to 30 September 2023)
J Hauge, PhD (to 30 November 2023)
N Bridson-Hubbard, BA, MPhil (from 1 October 2023)
F Rigby, MPhys (Durham) (from 1 October 2023)
A Pesci, PhD (La Plata) (from 1 October 2023)

Honorary Fellows

HRH the Duke of Gloucester KG, GCVO, MA
Professor Sir John Boardman, MA, FBA, Hon RA (deceased 24 May 2024)
Professor Sir David Hopwood, MA, PhD, DSc (Glasgow), FRS
Professor H H Vendler, AB, PhD (Harvard), Hon Litt D (deceased 23 April 2024)
J C F-Simpson CBE, MA, FRGS
Sir Colin Corness, MA
Professor Sir Richard Jolly KCMG, MA, PhD (Yale)
Professor Sir John Gurdon, PhD, Hon ScD, Hon DSc (Oxon), FRS
D J H Murphy, MA
Professor D C Clary, ScD, FRS
The Rt Hon Lord Malloch Brown KCMG, MA
R W H Cripps AM
The Rt Hon Lord (Igor) Judge Kt, PC, MA, Hon LLD (deceased 7 November 2023)
The Rt Hon Sir Andrew Morritt, PC, CVO, MA
R H Vignoles, BA, BMus, ARCM, Hon RAM, Hon FRCM
The Hon Yan Lung Wong, SC, MA, JP
Khoon Hong Kuok, BA (Singapore)
Professor S Springman, CBE, PhD, FREng
C I von Christierson, MA
HRH Sultan Nazrin Shah, BA (Oxon), PhD (Harvard)
L L Cardozo Kindersley MBE
Dame C A Duffy DBE, BA (Liverpool)
A Tennent, BA, MIB
T Cripps, BA, MBA
The Rt Revd & Rt Hon the Lord Williams of Oystermouth, PC, DD, Hon DCL (Oxford), FBA
Professor the Lady Williams of Oystermouth, MA
The Rt Hon Brenda Marjorie Hale, Baroness Hale of Richmond, DBE, PC, FBA
M C Newell, BA
The Very Revd Dr D M Hoyle MBE, MA, PhD
C B M Derham, MA
M Moorman, MPhil
A Schultz, MA
P Carne MBE HonRCM, MA (from 2 November 2023)

Visiting Fellows

Professor A Orellana, PhD (CU Chile) (from 17 April 2023 to 31 July 2023)
Professor C Whelan, MSc (Ireland), PhD (from 17 April 2023 to 31 July 2023)
Mr D Mulhall, MA (Cork, Republic of Ireland) (from 1 October 2022 to 30 September 2023)
Professor M Kelleher MRIA, PhD (Boston) (from 1 October 2023 to 30 September 2024)
Professor P Adler, MA, JD (Virginia) (from 5 January to 24 March 2024)
Professor S Liu, MSc, PhD (UCL), (from 5 January to 24 March 2024)
Professor V Nesiah, BA (Cornell), SJD (Harvard) (from 5 January to 24 March 2024)
Professor I Pikirayi, MA (Zimbabwe), PhD (Uppsala) (from 5 January to 25 June 2024)
Revd R MacSwain, MTh (Edinburgh), PhD (St Andrews) (from 1 April to 31 July 2024)
Professor C Whelan MSc (Ireland), PhD (from 17 April to 25 June 2024)

Fellow-Commoners

R L Skelton, MA
A I J Fitzsimons, Diplômée de l'ISIT (Paris)
J J Hellyer Jones, MA, FRCO
P J Marsh, MPhil, Honorary PhD (University of Central England)
R V Chartener, AB (Princeton), MPhil, MBA (Harvard)
C H L Foord, MAAT, Assoc CIPD
Professor C V S Brasted-Pike, MA, MSci, PhD
H Critchlow, PhD
L Masuda-Nakagawa, PhD (Tokyo)
F Schuery, MA
C N Spottiswoode, PhD
J M Potter, MA (Oxon)
V Vitaliev, MA (Kharkiv), PhD (Moscow) (from 30 September 2023 to 30 September 2024)
Professor D A S Fergusson OBE, MA (Glasgow), BD (Edinburgh), DPhil (Oxon), DD, FBA, FRSE (from 1 October 2023)
M Thompson, MA PhD (from 1 October 2023)
R Calvocoressi CBE, MA (Oxon) (from 1 December 2023)

MAGDALENE COLLEGE, CAMBRIDGE
PRINCIPAL OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 JUNE 2024

Address

Magdalene College
Cambridge
CB3 0AG

Officers

Master:	Sir Christopher Greenwood GBE CMG KC, MA, LLM
President:	Professor B J Burchell, MA and PhD (Warwick) (until 30 September 2023) N R Carroll, MA, MB, BChir (from 1 October 2023)
Senior Tutor:	Professor Stuart Martin, MA, PhD
Senior Bursar:	Mr Steven Morris, BA (Newcastle), FCA, IPFA
Development Director:	Mrs Corinne Lloyd, MA (Kent)

Professional Advisers

Auditors:	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA
Bankers:	Lloyds Bank 3 Sidney Street Cambridge CB2 3HQ
Property Managers: (Commercial)	Cheffins Commercial Clifton House 1-2 Clifton Road Cambridge CB1 7EA
Property Managers: (Agricultural)	Savills Olympic House Doddington Road Lincoln LN6 3SE
Securities Managers:	Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN
	Cazenove Capital 1 London Wall Place London EC2Y 5AU
	Troy Asset Management 33 Davies Street London W1K 4BP
Solicitors:	Ashtons Legal Chequers House 77-81 Newmarket Road Cambridge CB5 8EU

MAGDALENE COLLEGE, CAMBRIDGE
REPORT OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2024

The Governing Body of Magdalene College presents its Reports and Accounts for the year ended 30 June 2024.

STATUS

The College of Saint Mary Magdalene, one of 31 Colleges in the University of Cambridge, commonly called Magdalene College, was re-founded by Lord Audley of Walden in 1542. The 1542 Charter provides that the College is '*for the advancement of knowledge, arts, learning and virtue and for the advancement of moral studies in the University of Cambridge.*' The College became a registered charity on 18 August 2010. The Charity Commission of England and Wales is therefore the principal regulator for the College.

The College is a legally independent corporation within the collegiate University of Cambridge. A system of University-wide committees exists to plan and discuss the joint affairs of the collegiate University.

AIMS AND OBJECTIVES

The Governing Body has adopted a Strategic Plan to determine the future direction and size of the College. This plan identifies the priorities to be addressed to maintain and enhance teaching provision and the College's academic resources, and to provide appropriate residential and recreational amenities.

The College's charitable purpose as a place of religion, education, learning and research is clearly reflected by objectives in the Strategic Plan:

- to deliver a world-class undergraduate education by safeguarding the provision of small-group College-based supervision teaching;
- to maintain and develop a commitment for encouraging applications from the most talented students irrespective of social, ethnic and religious background in tandem with a needs-blind admission system supported by a comprehensive bursary programme; and
- to promote academic research of the highest quality.

GOVERNANCE

The Governing Body of the College comprises the Master and the Fellows (Classes A, B and C, if aged below 67 years) and they are *de facto* the trustees of the College. This body is constituted and regulated in accordance with the College Statutes (revised 1997) and is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets at least seven times a year under the chairmanship of the Master. The Presidents of the Middle Common Room (MCR) and the Junior Common Room (JCR) attend for unreserved business.

The Governing Body acknowledges its responsibility to act with prudence and care and to ensure the College complies with relevant laws and regulations. The Governing Body elects all Fellows of the College. Information is given to new Fellows regarding the College and how it is governed.

The principal committees of the Governing Body include the:

- Academic Committee; which establishes policy and monitors progress in respect of the College's main activities of education and research. The Committee meets five times a year and its membership is drawn from the Governing Body;
- Fellowship Committee; which advises on the recruitment and the retention of College Fellows including recommendations about individual elections. The Committee meets at least four times a year. Its membership, which is drawn from the Governing Body, reflects the range of academic disciplines;
- Finance & General Purposes Committee; which has responsibility for the oversight of the College's financial and administrative affairs and meets six times a year. Membership is drawn from the Governing Body;

- Investments Committee; which has oversight and sets policy for the College's endowment. The Committee meets four times a year and it includes external members with knowledge and experience of investments; and

- Development Committee; which oversees and sets policy for the College's alumni relations and fundraising programmes. The Committee meets at least three times a year and its membership is from the Governing Body and the wider Fellowship.

As secretary to the Governing Body, the Senior Bursar maintains a register of interests for members of the Governing Body. Declarations of interest are standing items on the agendas of the Governing Body and its principal committees. The Governing Body has established Stipends and Remuneration Committees, with memberships which are independent from it, to review and to advise on the benefits appertaining to Fellows. This Committee reviewed relevant policy proposals during the financial year. In terms of the College's pay policy, including that of senior management, a formal triennial review against comparative roles is undertaken to benchmark pay and subsequent recommendations appertaining to Fellows / College Officers are made to the Stipends and Remuneration Committees, which advise the Governing Body accordingly. Additional disclosure on the salaries of Fellows of the College who form the trustee body is given in the Notes to the accounts.

The Master is the chairman of the trustees and has a duty to promote the welfare of the College and to ensure the College maintains an appropriate learning environment for its members. The President, as a senior fellow, supports the interests of the fellowship and acts as the vice-master. The Senior Tutor has day-to-day responsibility for the admission, education and welfare of undergraduate and postgraduate students and supporting the research activities of the College. The Governing Body appoints Admissions Tutors to support the Senior Tutor in the selection of suitable students for admission to the College. The Senior Bursar has responsibility for the estates, finance and administration of the College.

The College appoints a Director of Studies for each undergraduate and provides small group teaching in addition to the teaching provided by the University. The College also provides a Tutor for each student and access to other forms of pastoral care, including a Dean of Chapel, Nurse and Counsellors. Together, the Dean and the Tutors have responsibility for maintaining standards of behaviour and good order in the College.

Members of the MCR and the JCR elect annually an executive committee to support and promote their welfare. The College makes grants to these student bodies, as well as to sports and cultural societies.

PROGRESS MADE DURING THE YEAR

The College has worked hard to support its students via its supervision and tutorial systems, further expansion of mental health and welfare services, and through its vibrant community.

The College is always striving to improve its own academic standards and is active in promoting the wider collegiate University's standing in terms of teaching and research and the position of the colleges within it. The College aims to build upon its existing academic strengths by recruiting Fellows who are outstanding in their field of study and by admitting talented students. Undergraduate students have performed well in their 2024 examinations with over half of students obtaining a 2:1 or better and of the cohort of graduating students, 88% achieving a first or 2:1.

The college re-started its plans to restore and improve the Samuel Pepys building some years ago in order to undertake a substantial refurbishment of the building and over the course of 2023-24 preparations have advanced. The project will deliver much needed maintenance to the grade I listed building as well as physical access improvements for visitors to the Pepys library.

Inflationary pressures have eased, particularly for food and energy, however the cost of employment continues to rise at a faster rate than college income and thus the college is continuing to run an operational deficit.

Economic conditions and political uncertainty prior to the general election led to a slowing in the commercial office sector and there are on-going challenges for the hospitality sector, both areas that the college has exposure, and this has led to the commercial property portfolio having voids and reduced income.

FINANCIAL REVIEW

Scope of Financial Statements

The financial statements include the accounts of Magdalene College and its subsidiary undertaking.

Sources of Funding

The principal sources of income of the College are:

- Students through fees charged for education provided
- The University through fees charged for education provided to its students
- Donors through grants for research
- Members and friends of the College through donations and bequests
- Students and Fellows through charges for goods, services and facilities provided
- Conference customers for goods, services and facilities provided
- Investment income from the accumulated endowment.

Results for the Year

The financial results for the year are given as follows:

	2024 £000	2023 £000	% Change
Total Income	15,053	15,167	-0.7%
Total Expenditure	(13,669)	(13,492)	+1.3%
Surplus before investment gains or changes to pension schemes	1,384	1,675	-17.4%
Gain on investments	1,108	3,184	-65.2%
Actuarial gain/(loss) on pensions	44	(133)	+132.8%
Total Comprehensive Income	**2,536**	**4,726**	**-46.3%**

The College deems it prudent to plan for a modest recurrent surplus to provide stability and to allow for new funds for reinvestment.

Income

Overall income (before investment gains and actuarial pension changes) has decreased slightly by 0.7% when compared to the previous year. Although there has been a continued recovery of conference business and in investment income, lower new endowment donations have given static total income. Expenditure on education provision, accommodation, catering and conferences all increased mainly due to staff costs. This increase in expenditure was partially offset by a significant accounting change in the USS pension provision. Donations in the year related to a combination of student support, research and the Pepys Building restoration project. Market value gains on securities were partially offset by valuation losses in commercial property that is directly owned by the college.

Income from academic fees was stable overall but with a slightly higher proportion of undergraduate unregulated fees compared to income from regulated fees. There was a modest increase in postgraduate fee income. Finally, there was an increase in research activity and financial support from the University contributing towards the Cambridge Bursary Scheme increased.

Income from College-provided accommodation and catering was £4,817k (£3,988k for 2022-23), an increase of 21% on last year. College member accommodation and catering income both exceeded expectations and are now more than pre-pandemic. Conference revenue, although slower to recover from the pandemic did reach 96% of pre-pandemic income.

Total investment income increased by 3.4% to £4,360k (£4,214k previous year) and actual income from securities and other investments grew by 7.1%. The policy spending rate on a total return accounting basis remained at 3.25% for 2023-24 although it will be reviewed during the course of 2024-25. Rental income from the commercial property estate reduced by -2.5% with challenging market conditions and void units.

Total donation income was £2,422k (£3,727k for 2022-23), reflecting continued generous donations in support of student welfare and financial assistance, a large research related gift and substantial donations towards the Pepys Building restoration project.

Expenditure

Expenditure on education related activity increased to £6,249k (£5,855k previous year), which compares to £2,978k received (£2,895k previous year) directly from academic fees, providing a calculated education deficit on activity of £3,271k (£2,960k previous year). Education activity derives from an increase in teaching costs, and predominantly an increase in the cost of providing supervisions following agreed increases across the collegiate university. The increase in tutorial related costs directly reflects continued investment in student mental health and wellbeing. The increase in admission costs is due to more Widening Participation activity during the year. In total expenditure on education accounts for 45.7% (previous year 43.4%) of total expenditure.

Expenditure on College-provided accommodation and catering increased to £5,560k (£5,023k previous year). Other operating costs increased by 7.5% broadly in line with greater conference activity.

Total staffing costs increased by 7.8% over the previous year and amounting to £5,651k (£5,244k previous year), after adjusting for the change in USS pension deficit recovery provision contributions, and 41.3% of total costs (38.9% the previous year). Although there has been a modest easing of the tight labour market compared to the previous year, staff retention has improved and the College has proven able to recruit to vacancies when needed, the costs of employment are still rising faster than income. The College followed the pay award for the higher education sector for its employees. During the year, the College also paid a discretionary bonus to staff.

The Governing Body remains concerned about the long-term costs of providing defined benefit pensions, and whilst it has taken steps to try to limit future liabilities by ceasing to offer a defined benefit scheme to new non-academic staff, many current employees participate in a defined benefit salary scheme. There has been an overall decrease in the FRS 102 pension deficit, which has reduced to £1,054k (£2,011k 2022-23), whilst the deficit for CCFPS has increased, the USS pension scheme's deficit is completely eliminated. The USS pension provision accounting adjustment is included in the Consolidated Statement of Income and Expenditure Account.

Depreciation costs for operational buildings increased to £1,744k (£1,646k previous year), reflecting the college's depreciation policy.

College net assets increased slightly from £201.8m to £204.3m or by 1.3% at the end of the year. Endowment values increased due to generous donations and positive market movements, and there is an increase in cash held pending further investment and finally there are lower defined benefit pension scheme deficits.

Capital Expenditure and Maintenance

The College's operational assets, the largest asset class of the College, remain a financial pressure for the College. There was limited capital expenditure (separate from building maintenance) in the year while the programme concentrated on significant maintenance projects. Effects from the pandemic continued to reach into the maintenance programme to a more limited degree at the start of the year and significant progress has been made on improvement projects planning. The College commissions a rolling condition survey of its operational estate which informs its forward-looking five-year maintenance plan. Other significant survey planning has been undertaken to inform improvements in fire prevention in the operational building stock. The maintenance programme is designed to maintain and improve the estate and additional resources have been allocated to it in recent years, recognising the need to increase investment in the long-term maintenance of its operational estate.

Investment Policy and Performance

The College manages its investments in securities or its financial assets and directly owned property to produce the highest return consistent with the preservation of capital value in real terms for the long term and given the associated risks. The principal responsibility of the Governing Body in investing the College's endowment is to ensure the real value of the endowment is maintained after spending, consistent with the risk/return profile adopted and within a suitably diversified portfolio. The Governing Body expects, within the scope of this fiduciary duty, its fund managers to engage actively with companies to promote and support acceptable standards of practice in respect of their business activities and how they impact on their employees, the environment, and the communities in which they operate.

The Investments Committee undertakes an ongoing review of its responsible investment policy. The Governing Body approved a Statement of Investment Principles, which clearly sets out the investment objectives, risk appetite and responsible investment policy. The purpose of the endowment is to preserve the real value after making distributions and inflation and to provide a steady reliable cashflow to support the college. The College expects its fund managers to integrate a responsible investment approach and to align with the principles of the UN Compact.

The College holds a securities-based portfolio which was valued at £62.4m (£56.4m previous year). Its principal fund manager is Baillie Gifford (managing £40.8m in 2023-24 and £37.0m previous year). The College has a duty to maximise return from its investments, but it does so in a manner to be consistent with the College's charitable mission. The College also has direct property and agricultural land holdings (£39.7m in 2023-24). The direct property, which is managed by Cheffins, is held as a long-term strategic asset, with the policy of maximising yield, whilst the agricultural land is managed by Savills.

The Investments Committee, for its securities portfolio, maintained the total return policy of 3.25% spending rule and this resulted in a drawdown (from capital and income) of £1,632k (£1,491k in 2022-23). The unapplied total return fund provides a contingency sum in the event of falling capital values in financial markets and thus permits drawn down in adverse market conditions. The investments committee agreed to review the spending rule over the course of the next year.

The College has been generally pleased with the performance of the endowment although weakness in the property market had proved painful, with lower capital values and income is decreasing with voids in the portfolio.

Directly held commercial property returned -4.3% in the year (3.6% 2022-23), whilst the Charities Property Fund returned +0.6% against the Index average of +0.1% for the same 12-month period, but over a 6-year average returns were 4.1%, 3% and 1.6% respectively. It should be noted the directly held property is only externally valued periodically.

The Baillie Gifford Responsible Global Equity Income fund performed well with a net return of +12.5% and a sector average return of 12.8%, but this was against a market Index of +20.6%, the latter buoyed by strong AI technology stocks. The combined portfolio of Cazenove Capital and Troy Asset Management performed adequately at +5.9% against a composite benchmark of +8.6%. A £1m fixed term (9 month) deposit was, on maturity, re-invested and placed on another fixed term deposit to maximise returns on cash as interest rates remained strong.

During the year the College increased its investment in the University's endowment fund by£1m and a provisional year end valuation of the holding being c.£8.1m; performance was 9.1% for the year to June 2024.

Donations and Fundraising

Magdalene's primary fundraising efforts are directed at raising monies through major donations as well as by regular giving, and to add to the College's endowment. Key objectives for the College include teaching, research, and student support. Fundraising efforts for the year yielded nearly £1m towards teaching and research, £700k in support of the Pepys Building restoration project and a further £393k towards student support. The College is truly grateful for the generous response, enthusiasm for and support of the College's fundraising efforts.

The ongoing support of our Members, friends and the Fellowship is particularly welcome and appreciated during these trying economic times. Over the course of 2023-24, donations to the College exceeded expectations with a continued focus on student support, teaching and research, and the Pepys Building restoration project. Despite the difficult

economic climate, the 2024 Telephone Campaign raised in excess of £200k, a figure over expectations. The College is grateful to its members and supporters. The costs of fundraising efforts were £265k (£216k for 2022-23).

The College is registered with the Fundraising Regulator and continues to develop a shared understanding and agreement for activities concerning alumni, be it communications, attendance of events and use of data. The College has a Data Protection Statement which governs the use of any personal data held and the College insists alumni grant their consent in holding personal data. The College did not engage professional fundraisers during the year and does not seek to raise funds from members of the public

Reserves, Endowment Funds and Associated Policy

Total College reserves and funds amounted to £204.3m. Within the College's endowment funds there are almost 100 trust funds supporting the College in achieving its aims.

These reserves are represented by the College's operational estate and to a large extent, the permanent endowment assets and, are therefore unavailable as income funds to be spent. Collectively the College maintains its free revenue reserves and its earmarked designated reserves, after taking account of the pension deficit. These are liquid unrestricted funds. The Governing Body considers it prudent to hold sufficient unrestricted reserves and appropriate earmarked reserves in the event of major variations to the College's income and expenditure and has concluded that its general unrestricted free reserves should be 20% of annual income and that its building reserve should represent 1% of the insurable value of the operational estate. Together this amounts to £4.8m.

Unrestricted Reserves shown in the Balance sheet	£119.5m
Of which constitute fixed and heritage assets	(£103.8m)
Less pension provisions	(£ 1.1m)
Leaving unrestricted liquid reserves	£ 14.6m
Target Free Reserves in accordance with College Policy	£ 4.8m

The college's major designated reserves relate to student support (£2.4m), operational buildings (£3.2m), commercial property (£1.4m), and a major capital projects reservice (£5.7m). The college is expecting to draw down on its reserves over the course of the next few years.
After taking these specific funds into account and a specific building repairs fund for its commercial and operational property, the College has a sufficient level of general funds available as a contingency measure to support its operations.

Cash Flow and Treasury Management

The College's treasury management policy requires cash deposits to be spread across a range of counterparties, all of which must be at least Fitch A credit rated. Net cash funds increased by £1,811k, from £3,994k to £5,805k over the year. Cash levels at the year end reflect an influx of donations in the final quarter of the year which will be placed in long term investment into the endowment.

Going Concern

A statement in respect of the College and its financial sustainability is given in the Statement of Principal Accounting Policies and explains that the financial statements have been prepared on a going concern basis. The College plans ahead, preparing detailed budgets looking three years ahead. The College also holds a healthy level of liquid funds to meet unexpected demands or changes in income streams.

PRINCIPAL RISKS

The College maintains a Major Risks Register that identifies what it considers the major risks to which the College is exposed and their assessed impact and probability of occurrence; this was reviewed and updated during the year. As outlined in the Governing Body's statement on Internal Controls the risk register is reviewed regularly by the principal

College Officers and the Finance & General Purposes Committee, and then final consideration by the Governing Body. As far as is practical the College then takes additional measures to mitigate key risks and where appropriate insurance cover is put in place. Nevertheless, the College is exposed to a variety of significant risks. Presently the known principal risks include:

- Significant harm to the reputation of the College as a constituent part of the collegiate university
- The long-term impact of climate change and the need to transition to a low carbon campus with wide ranging sustainable policies
- The risk of cyber-attacks and unauthorised access to protected digital data
- Adverse performance of financial markets and the real economy which would in-turn impact on the College's endowment assets and other income streams
- The causal effect of the global pandemic and consequential societal restrictions and the shorter-term disruption to global supplies of goods, services and labour and international travel
- The cost of employee defined benefit pensions schemes
- Significant unexpected expenditure on building maintenance
- Rapid changes in inflation across all expenditure heads
- The impact of government policy on College income and individual student finances
- The strategic impact of government policy and any associated regulatory burden on College academic policy and governance arrangements
- Adverse events impacting on the College's academic standing of the college
- The fortunes of the local economy in terms of demand for commercial property in Cambridge
- The challenges of the local transportation system and its implications for recruitment and retention of employees
- The on-going impact on the economy and supply chains of inflationary pressures and the Russian invasion of Ukraine.
- The local labour market and the ability to attract and retain staff

The College through its own financial planning and operational management aims to mitigate the impact or set aside resources in the event of such risks taking place. Across the collegiate university the University and the colleges work collectively to identify and manage common risks and share steps to manage known risks.

FINANCIAL OUTLOOK AND PLANS FOR THE FUTURE

Looking forward the financial outlook for the college remains challenging. Inflationary forces have eased, particularly for food and energy, but they are stubbornly high for labour and building costs. Although Cambridge is a strong regional economy it is still feeling the economic impact of inflation and relatively low business confidence, with high interest rates slowing demand. For commercial property demand for office space remains slow, with demand being mainly derived from office relocation rather than business expansion, and the pressure on the hospitality sector remains high.

The college has had to set another deficit budget in 2024-25 which aims to give the college time to review and if necessary reshape some of its expenditure without impacting on general services and college life too severely as well as trying to grow college income, particularly commercial property and conferences revenues.

Student mental health and welfare are a sector and university wide priority with further resources being invested across the colleges and the university.

The college will advance its preparations for a major capital project restoring and improving the Pepys building which is expected to commence in summer 2025 and will also focus on its buildings fabric and infrastructure. The college is also refurbishing some vacant office space in its Quayside development on a pre-let basis. These major projects will draw on designated reserve funds over the coming years. The college plans to advance its long term sustainability plans to reduce its impact on the environment.

Approved by the Governing Body on 17th October 2024

C J Greenwood
Master

S J Morris
Senior Bursar

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF PUBLIC BENEFIT
YEAR ENDED 30 JUNE 2024

The Governing Body is satisfied that the activities as described in these reports and accounts meet the public benefit requirements of a registered charity and to its regulator the Charity Commission.

Objects

By maintaining an academic community of the Master, Fellows, Scholars and other students the College is fulfilling its charitable objects as a place of religion, education, learning and research within the University of Cambridge.

Education

The College provides an education for some 367 (2023: 372) undergraduate and 154 (2023: 151) postgraduate fee-paying students which is recognised internationally as being of the highest standard. The education develops students intellectually 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, bursaries, and individual or small-group supervision, as well as pastoral, administrative and academic support through its directors of studies and tutorial and postgraduate mentoring systems, thereby enabling students both to develop personally and intellectually and to proceed to degrees of the University of Cambridge (and in some cases other qualifications);

- specialist choral musical education for its choral students, including provision of choral and organ scholarships;

- a residential community with social, cultural, musical, recreational and sporting facilities that enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College; and

- accommodation and catering at reasonable rates.

Research

In the same way the College advances knowledge and learning through:

- supporting research work pursued by its Fellows through promoting interaction between them and across disciplines, and providing facilities and grants for attendance at national and international conferences and research trips, and other resources for research;

- providing Research Fellowships to outstanding academics in the early stages of their careers, which enable 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;

- providing Fellows and academic staff with study rooms;

- encouraging visits from outstanding academics from other institutions, with or without the provision of accommodation and meals at the common table; and

- encouraging the dissemination of research undertaken by members of the College through the publication of books, papers in academic journals, or other suitable means.

Libraries

The College Library provides a valuable resource for students and Fellows of the College. The College also maintains an Old Library for its members and members of other Colleges and the University of Cambridge more widely, and for external scholars and researchers.

The Pepys Library, which is a collection of international significance, provides an educational resource for academics, allows access to organised tours by local children and institutions, and is regularly open for visits by the general public.

Gallery

The Robert Cripps Gallery, which is incorporated into the New Library building, provides a programme of open and free to access exhibitions throughout the year, In particular the gallery provides an additional high quality facility to the local community. During the course of the year there were 1,382 (2023:1,464) visitors to the gallery.

Beneficiaries

The resident members of the College, both students and academic Fellows/staff, are the primary beneficiaries and are directly engaged in education, learning or research.

However, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions, and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities and take meals at the common table. The general public are also able to attend various educational activities in the College such as Open Garden exhibitions, and the College's educational festivals. Subject to certain reasonable restrictions, the grounds of the College are open to the general public on most days of the year without charge.

Admissions

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 Fellows and 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, Fellows and academic staff of the College are drawn from across the UK and internationally;

- whilst students of the College are predominantly between 18 and 24 years old, there are no age restrictions in the College's objects, and many postgraduate students are older than 24 years; 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 charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to postgraduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government); and

- A fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to student support.

Student Support

In order to assist undergraduates entitled to student support the College provides, through a scheme operated in common with the University and other Colleges (the Cambridge Bursary Scheme), bursary support for those of limited financial means. (For the academic year 2023-24, the number of awards made was 78, out of a Home/EU undergraduate population of 297; 34 of the awards were at the maximum value of £3,500; and the average value of the awards was £2,574.) The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. Supplementing the Cambridge Bursary Scheme, the College is committed to raising funds to award an enhanced bursary to every undergraduate eligible for the scheme's maximum £3,500 award. During 2023-24 the College was able to support 28 undergraduate students through this enhanced bursary scheme and a further 2 third year undergraduates were assisted through the Carne MML Fund during their year abroad element of their studies.

To support postgraduate students, the College provides substantial financial support. This includes several scholarships to fund fees and living costs and 'top-up' to fill shortfalls in students' funding packages. The College has also established a Postgraduate Research Fund to assist postgraduates with expenses associated with research conferences and activities, usually in conjunction with the University. Awards are based upon academic criteria as well as the financial position of students. During the year the College provided financial assistance amounting to £419k from these schemes.

The College also offers support to all students through a grant scheme to assist with academic materials, supporting the costs of related short courses (e.g. language studies), and attendance at conferences. These awards are given following an evaluation of the academic relevance and the financial means of the student. The College provides a range of annual travel awards to provide opportunities to travel to complement academic study. Total travel awards made in 2023-24 were £35.4k

The Governing Body approved annual prizes and scholarships for undergraduates obtaining outstanding examination success. For 2023-24 114 students were awarded a prize or scholarship, the total cost was £38k.

Finally, the College operates a hardship scheme, which also partially contributes to the cost of the Cambridge Bursary Scheme, for all students in financial hardship and is actively campaigning to raise additional funds from its members. Awards are assessed by the student's Tutor and are based upon the specific financial situation of the student. The combined costs for these financial awards were £27.6k for the year.

Access

The College continues to engage high-achieving pupils from across the UK in a variety of in-person and online outreach activities. In the 2023/24 academic year, over 8,000 pupils attended targeted outreach events, plus a further 6,000 attending Open Day events. Magdalene hosted 6 residential programmes, 47 school visits to College, and 68 external school visits in Merseyside, North Wales, and the Isle of Man. 15% of UK-based applicants to Magdalene in 2023 (for 2024 entry) had attended one or more of our outreach events in the year leading up to their application.

Religion

The College carries forward the tradition, 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 and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors;
- Maintains its choral tradition, which is integral to the provision of divine service in its Chapel, through the College's Choir;
- Supports, through the College Chaplain and through others, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none;
- Strives to maintain a College community which is socially cohesive and is supportive of its members from all faith backgrounds or none; and
- Maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron or joint Patron of 11 parishes.

There is no geographical, age or religious restriction on who may attend Chapel in the College and in practice those attending are highly varied and include those who do not follow the Christian faith. The pastoral services of the clergy of the College are available to all members of the College whatever their faith traditions or none.

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF INTERNAL CONTROL
YEAR ENDED 30 JUNE 2024

The Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes, the requirements of the Charity Commission and the Education Memorandum with the University of Cambridge.

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The process was in place for the year ended 30 June 2024 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Governing Body meets regularly throughout the year to consider the progress being made by the College, the effectiveness of its policies and plans which support the strategic direction of the College
- The Governing Body receives relevant reports from its committees concerning its policies, the risks and any specific issues in connection with the system of internal control
- A College risk register is maintained and reviewed regularly
- A system of risk ranking is used to monitor risks and to highlight the principal risks
- Risks are assigned responsibility to College Officers and Heads of Departments of the College
- The Finance and General Purposes Committee undertakes a detailed annual review of the risk register and briefs the Governing Body accordingly.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work and advice of College Officers and Heads of Department, who have operational responsibility for the maintenance and development of the internal control system.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the external auditors, through their comments in the management letter and other reports.

MAGDALENE COLLEGE, CAMBRIDGE
RESPONSIBILITIES OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2024

The Governing Body 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's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body 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 Governing Body 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 Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are 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 Governing Body 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.

Opinion

We have audited the financial statements of Magdalene College, Cambridge (the 'College') and subsidiary ('the Group') for the year ended 30 June 2024 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the 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's and College's affairs as at 30 June 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and

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 ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governing Body is responsible for the other information. The other information comprises the information included in the Report of the Governing Body 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body.

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 Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 18, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's 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, College or subsidiary 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 Group 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 Group's legal advisors.

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

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/auditorsresponsibilties. This description forms part of our auditors' report.

Use of our report

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

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors
Salisbury House, Station Road, Cambridge CB1 2LA

18 October 2024

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

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 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

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

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

Going concern

The financial statements have been prepared on a going concern basis. The College has also set a detailed budget plan for the 2024-25 financial year and outline budgets up to financial year end 2027. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans, demonstrate that the College has sufficient resources to meet liabilities as they fall due for a period of no less than 12 months from the date these financial statements are approved. The Governing Body, as the trustee body of the College, considers preparation of these financial statements using a going concern basis to be appropriate.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain operational land and buildings at deemed cost.

Basis of consolidation

The Consolidated Financial Statements include the College and its subsidiary undertaking, Cloverleaf Limited. Intra-group transactions are eliminated upon consolidation. The activities of student societies have not been consolidated. A separate balance sheet and related notes for the College only are not included because Cloverleaf Limited is a design and build company and therefore the balance sheet of the College would not be materially different to the one included in these accounts. Some details of the subsidiary undertaking are given in note 27.

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. The costs of any fees waived or written off by the College are included as expenditure.

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

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

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

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

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

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

Total return

The College invests its securities investment portfolio and allocates a proportion of the related earnings and capital appreciation to the income and expenditure account in accordance with the total return investment concept. The allocation to income is determined by a spending rule, currently 3.25%, which is designed to stabilise annual spending levels from the endowment. The income transferred to the consolidated Statement of Comprehensive Income and Expenditure on this total return basis is calculated by a formula that uses the weighted average value of the College's securities portfolio over a three-year period up to the commencement of the current accounting year. Details are given in note 3.

Investment income and change in value of investment assets

Investment income and any 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.

Cambridge Bursary Scheme

In 2023-24, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, 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 £129k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1):	£92k
Expenditure:	£221k

Pension schemes

The College participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme and the deficit recovery contributions payable under the scheme's Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The College recognises a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement. Further disclosures relating to the deficit recovery liability can be found in note 25.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

Because of the mutual nature of the Church of England Funded Pension Scheme, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period and expenses accrued in that year, plus any impact of deficit contributions. Since the College has entered into a 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 the resulting expense in the Statement of Comprehensive Income and Expenditure in accordance with Section 28 of FRS 102.

The College offers a defined contribution pension scheme for non-academic staff. For staff employed before 1 April 2014 this was the Cambridge Colleges Group Pension Scheme. For staff employed after that date it is the NOW: Pensions Scheme. The assets of both those defined contribution schemes are held separately from those of the College. The annual contributions payable are charged to the Statement of Comprehensive Income and Expenditure.

Tangible fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold operational buildings are depreciated on a straight line basis over their expected useful lives as follows:

the structure between 41 and 100 years
the internal fit-out between 15 and 35 years
the mechanical and electrical services between 10 and 35 years

Buildings under the course of construction are valued at cost, based on the value of architects' certificates and any other direct costs incurred. They are not depreciated until they are brought into use. The cost of additions to operational property shown in the balance sheet includes the cost of land.

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.

Maintenance of premises
The College has a five year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is shown in the consolidated Statement of Comprehensive Income and Expenditure as it is incurred. The cost of major refurbishment and maintenance which restores or improves value is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs, these being disclosed within unrestricted reserves.

Equipment
Equipment costing less than £5,000 per individual item or group of related items is written off in the year of purchase. All other equipment is capitalised and depreciated over their expected useful life as follows:

Furniture and equipment	10 years
Energy regeneration	20 years
Library books	15 years
Information technology	3 or 5 years
Catering & conference equipment	5, 10 or 20 years

Where equipment is acquired with the aid of specific bequests or donations it is capitalised and depreciated. The related benefactions are credited to income in the year it arises.

Heritage assets
The College holds and conserves two book collections which are of historical and cultural importance. The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. There were no additions to Heritage assets during the year ended 30 June 2024. 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 fair value on 30 June each year, except for investments in the subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.

Direct property
Investment properties are included at fair valuation and the aggregate surplus or deficit is transferred to Unrestricted Reserves. A formal valuation is performed at least every 5 years. For commercial property holdings, a formal valuation is undertaken every 3 years, and for the intervening years regional yields published by third party property specialists, such as Knight Frank or Savills, for differing property uses is being adopted. The last formal valuation for agricultural land was carried out by FPD Savills as at 30 June 2023.

Stocks

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

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.

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party

to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

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

Financial assets

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

Foreign currency translation

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

Taxation

The College is a registered charity (number 1138143) 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 to 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 the 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 as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

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 estimates and judgements

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

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

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

Investment property
Properties are revalued to their fair value at the reporting date by using regional yields information published by third party property specialists. Any valuation is based on the assumptions and judgements which are influenced by a variety of factors including market and other economic changes.

Pensions

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Governing Body is satisfied that the scheme provided by USS and the Church of England Funded Pension Scheme meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
YEAR ENDED 30 JUNE 2024

		2024				2023			
	Note	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	3,109	92	-	3,201	2,990	66	-	3,056
Accommodation, catering and conferences	2	4,817	-	-	4,817	3,988	-	-	3,988
Investment income	3	2,724	167	1,469	4,360	2,771	71	1,372	4,214
Endowment return transferred	3	597	1,035	(1,632)	-	550	941	(1,491)	-
Other income		202	51	-	253	155	27	-	182
Total income before donations and endowments		11,449	1,345	(163)	12,631	10,454	1,105	(119)	11,440
Donations		315	1,877	-	2,192	364	1,381	-	1,745
New endowments		-	-	230	230	-	-	1,802	1,802
Other donations for assets		-	-	-	-	81	99	-	180
Total income		11,764	3,222	67	15,053	10,899	2,585	1,683	15,167
Expenditure									
Education	4	4,700	1,549	-	6,249	4,374	1,481	-	5,855
Accommodation, catering and conferences	5	6,763	139	-	6,902	6,135	138	-	6,273
Investment management costs	3	70	-	192	262	74	-	214	288
Other expenditure	6	1,069	114	-	1,183	1,085	95	-	1,180
Change in USS pension deficit recovery provision contributions	7,16	(952)	-	-	(952)	(123)	-	-	(123)
Contribution under Statute G, II		25	-	-	25	19	-	-	19
Total expenditure	7	11,675	1,802	192	13,669	11,564	1,714	214	13,492
Surplus/(deficit) before other gains / losses		89	1,420	(125)	1,384	(665)	871	1,469	1,675
Gain/(loss) on investments	9	265	281	562	1,108	202	212	2,770	3,184
Surplus/(deficit) for the year		354	1,701	437	2,492	(463)	1,083	4,239	4,859
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	16	44	-	-	44	(133)	-	-	(133)
Total comprehensive income for the year		398	1,701	437	2,536	(596)	1,083	4,239	4,726

The notes on pages 33 to 52 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 30 JUNE 2024

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2023	119,058	8,360	74,423	201,841
Surplus/(Deficit) from income and expenditure statement	354	1,701	437	2,492
Other comprehensive income	44	-	-	44
Release of capital funds spent in year	-	-	-	-
Transfers	(6)	6	-	-
Balance at 30 June 2024	119,450	10,067	74,860	204,377

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2022	117,689	8,074	71,352	197,115
Surplus/(Deficit) from income and expenditure statement	(463)	1,083	4,239	4,859
Other comprehensive income	(133)	-	-	(133)
Release of capital funds spent in year	100	(100)	-	-
Transfers	1,865	(697)	(1,168)	-
Balance at 30 June 2023	119,058	8,360	74,423	201,841

The notes on pages 33 to 52 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED BALANCE SHEET
YEAR ENDED 30 JUNE 2024

	Note	2024 £000	2023 £000
Non-current assets			
Fixed assets	9a	103,554	105,100
Heritage Assets	9b	264	264
Investments	10	103,518	101,345
		207,336	206,709
Current assets			
Stocks	11	210	191
Trade and other receivables	12	1,869	2,762
Cash and cash equivalents	13	5,805	3,994
		7,884	6,947
Creditors: amounts falling due within one year	14	(3,835)	(3,792)
Net current assets		4,049	3,155
Creditors: amounts falling due after more than one year	15	(5,954)	(6,012)
Provisions			
Pension provisions	16	(1,054)	(2,011)
Total net assets		204,377	201,841
Restricted reserves			
Income and expenditure reserve - endowment reserve	17	74,860	74,423
Income and expenditure reserve - restricted reserve	18	10,067	8,360
		84,927	82,783
Unrestricted reserves			
Income and expenditure reserve - unrestricted		119,450	119,058
Total reserves		204,377	201,841

These financial statements were approved by the Governing Body on 17th October 2024 and are signed on their behalf by:

C J Greenwood
Master

S J Morris
Senior Bursar

The notes on pages 33 to 52 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2024

	Note	2024 £000	2023 £000
Net cash inflow/(outflow) from operating activities	19	(632)	(1,573)
Cash flows from investing activities	20	3,090	(121)
Cash flows from financing activities	21	(647)	(660)
Increase/(decrease) in cash and cash equivalents in the year		1,811	(2,354)
Cash and cash equivalents at beginning of the year		3,994	6,348
Cash and cash equivalents at end of the year	13	5,805	3,994

The notes on pages 33 to 52 form part of these accounts

1. Academic fees and charges

	2024 £000	2023 £000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,274	1,324
Fee income received at the Unregulated Undergraduate rate	960	865
Fee income received at the Postgraduate rate	744	706
Research income	131	96
Cambridge Bursary scheme	92	65
Total	3,201	3,056

2. Income from accommodation, catering and conferences

		2024 £000	2023 £000
Accommodation	College members	2,558	2,408
	Conferences	663	334
Catering	College members	1,001	933
	Conferences	595	313
Total		4,817	3,988

3. Endowment return and investment income

	2024 £000	2023 £000
3a. Analysis		
Total return contribution (see note 3b)	1,632	1,491
Income from:		
Freehold land and buildings	2,669	2,737
Unit Trust Scheme	-	-
Cash Deposits	221	105
Total	4,522	4,333

3b. Summary of total return

	2024 £000	2023 £000
Income from:		
Quoted and other securities and cash	1,469	1,372
Gains on endowment assets:		
Quoted and other securities and cash	4,867	3,656
Investment management costs (see note 3c)	(192)	(214)
Total return for year	6,144	4,814
Total return transferred to income and expenditure reserve (see note 3a)	(1,632)	(1,491)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	4,512	3,323
Unapplied total return at beginning of year	22,784	19,461
Unapplied total return at end of year	27,296	22,784

3c. Investment management costs

	2024 £000	2023 £000
Quoted security – equities	-	-
Pooled investments	192	214
Fixed interest securities	-	-
Investment management costs included within note 3b	192	214
Freehold Land and Buildings	70	74
Total	262	288

4. Education expenditure

	2024 £000	2023 £000
Teaching	2,779	2,525
Tutorial	890	804
Admissions	740	665
Research	713	731
Scholarships and awards	830	856
Other educational facilities	297	274
Total (note 7)	6,249	5,855

5. Accommodation, catering and conferences expenditure

		2024 £000	2023 £000
Accommodation	College members	4,144	3,688
	Conferences	697	625
Catering	College members	1,416	1,335
	Conferences	645	625
Total (note 7)		6,902	6,273

6. Other expenditure

	2024 £000	2023 £000
Loan interest	177	190
USS pension interest charge	21	37
FRS 102 pension schemes interest charge	54	31
Staff Costs	299	251
Depreciation	36	27
Estates costs	307	389
Restricted Funds Other Expenditure	116	95
Other general and administrative	173	160
Total	1,183	1,180

7a. Analysis of 2023/24 expenditure by activity

	Staff costs (note 8) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,735	2,887	627	6,249
Accommodation, catering and conferences (note 5)	2,617	3,203	1,082	6,902
Investment management costs (note 3c)	-	262	-	262
Other expenditure	299	849	35	1,183
Change in USS pension deficit recovery pension provision	(952)	-	-	(952)
Contribution under Statute G, II	-	25	-	25
	4,699	7,226	1,744	13,669

Expenditure includes fundraising costs of £265k. This expenditure does not include the costs of alumni relations.

7b. Analysis of 2022/23 expenditure by activity

	Staff costs (note 8) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,562	2,764	529	5,855
Accommodation, catering and conferences (note 5)	2,431	2,752	1,090	6,273
Investment management costs (note 3c)	-	288	-	288
Other expenditure	251	902	27	1,180
Change in USS pension deficit recovery pension provision	(123)	-	-	(123)
Contribution under Statute G, II	-	19	-	19
	5,121	6,725	1,646	13,492

Expenditure includes fundraising costs of £216k. This expenditure does not include the costs of alumni relations.

7c. Auditors remuneration

	2024 £000	2023 £000
Other operating expenses include:		
Audit fees payable to College's external auditors	32	31

8. Staff

	Academic 2024 £000	Non-academics 2024 £000	Total 2024 £000	Total 2023 £000
Staff Costs				
Salaries	979	3,892	4,871	4,491
National Insurance	79	321	400	359
Pension costs (note 25)	152	263	415	477
Net change in USS deficit recovery provision (see Note 16)	(528)	(459)	(987)	(206)
Subtotal of pension costs (see Note 8b.)	(376)	(196)	(572)	271
Total	682	4,017	4,699	5,121

Based on the 2024 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit of £987k (2023: £206k). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £952k (2023: £123k) and cash contributions made to reduce the deficit in the year of £35k (2023: £83k).

Average staff numbers (full-time equivalents)	Average staff number 2024		Average staff number 2023	
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	56		58	
Non-academics	3	106	3	100
	59	106	61	100

At the Balance Sheet date there were 45 (2023: 44) members of the Governing Body. During the year the number receiving remuneration was 45 (2023: 40) who are included in the 59 (2023: 61) remunerated Fellows shown above.

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

	2024 Number	2023 Number
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	1
£140,001 - £150,000	-	-
£150,001 - £160,000	1	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.

8a. Key management personnel

	Total 2024 £000	Total 2023 £000
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are therefore the trustees. 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.	887	972

Aggregated remuneration

The Trustees received no remuneration in their capacity as Trustees of the Charity, these payments relate to their capacity as College Officers.

8b. Pension costs

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

	Employer contributions 2024 £000	Provisions (Note 16) 2024 £000	Total 2024 £000	Employer contributions 2023 £000	Provisions (Note 16) 2023 £000	Total 2023 £000
USS	248	(987)	(739)	288	(206)	82
CCFPS	1	-	1	(47)	-	(47)
Other	166	-	166	236	-	236
Total	415	(987)	(572)	477	(206)	271

9a. Fixed assets

	Freehold Land £000	Buildings £000	Furniture & Equipment £000	Energy Regeneration £000	Library Books £000	Information Technology £000	Motor Vehicles £000	Total £000
Original cost/valuation								
At beginning of year	40,020	76,187	1,366	75	195	180	27	118,050
Additions at cost		78	-	-	20	92	13	203
Disposals	-	-	(2)	-	(5)	-	(10)	(17)
Reclassification		-	-	-	-	-	-	-
At end of year	40,020	76,265	1,364	75	210	272	30	118,236
Depreciation								
At beginning of year	-	11,669	1,024	28	86	135	8	12,950
Charge for the year	-	1,648	57	4	14	17	4	1,744
Eliminated on disposals	-	-	(2)	-	(5)	-	(5)	(12)
At end of year	-	13,317	1,079	32	95	152	7	14,682
Net book value								
At end of year	40,020	62,948	285	43	115	120	23	103,554
At beginning of year	40,020	64,518	342	47	109	45	19	105,100

The insured value of freehold land and buildings at 30 June 2024 was £175,744k (2023: £161,086k).

9b. Fixed assets (continued)

Heritage assets

The College holds and conserves two book collections which are of historical and cultural importance. These comprise the Pepys Library and the Old Library, which provide a valuable research and educational resource. In respect of these collections, the College's practice is to preserve, conserve and manage the items in its care; to augment the collections where appropriate and within the limited resources available; to enable and encourage access to and use of the collections for teaching and research; and to enable access to and engagement with the Pepys library collection of books by members of the public.

The College holds and conserves a collection of statues that are of cultural importance. In respect of this collection, the College's practice is to preserve, conserve and manage the items in its care; to augment the collection where appropriate and within the limited resources available; to enable and encourage access to and use of the collection for teaching and research; and to enable access to and engagement with the College's collections by members of the public.

The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. During the year ended 30th June 2024, there were no additions to Heritage assets. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

	2024 Total £000	2023 Total £000
Balance at beginning of year	264	178
Acquisitions gifted	-	82
Acquisitions purchased	-	4
Total cost of acquisitions	264	86
At end of year	264	264

10. Investments

	2024 Total £000	2023 Total £000
Balance at beginning of year	101,345	93,931
Additions	2,708	15,000
Disposals proceeds	(1,549)	(11,450)
Appreciation on revaluation	1,108	3,184
Increase in cash balances held at fund managers	(94)	680
Balance at end of year	103,518	101,345
Represented by:		
Property	39,729	43,422
Unit Trust Scheme	8,127	6,763
Other investments	54,230	49,634
Cash held for reinvestment	1,432	1,526
	103,518	101,345

Investments held by the College also include an additional £1 (2023: £1) investment in the subsidiary company at cost. (see note 27)

11. Stocks

	2024 £000	2023 £000
Goods for resale:		
Catering	34	24
Fellows Wine	162	157
Merchandise	14	10
	210	191

12. Trade and other receivables

	2024 £000	2023 £000
Members of the College	255	144
Rents	736	797
Conferences	90	127
Other receivables	788	1,694
	1,869	2,762

13. Cash and cash equivalents

	2024 £000	2023 £000
Bank deposits	4,503	2,722
Current accounts	1,302	1,272
Cash in hand	-	-
	5,805	3,994

14. Creditors: amounts falling due within one year

	2024 £000	2023 £000
Bank loans	470	470
Due to tradesmen and others	1,297	1,299
University fees	123	37
Advance deposits – students	318	463
Caution money	208	209
Contribution to Colleges Fund	25	19
Other creditors	201	166
Accruals and deferred income	1,093	1,062
Deferred research income	100	67
	3,835	3,792

15. Creditors: amounts falling due after more than one year

	2024 £000	2023 £000
Bank loans	4,935	5,405
Fee deposits	1,019	607
	5,954	6,012

16. Pension provisions

	CEFPS £000	CCFPS £000	USS £000	2024 £000	2023 £000
Balance at beginning of year	-	1,045	966	2,011	1,969
Movement in the year					
Current service cost including life assurance	-	16	-	16	98
Contributions	-	(17)	-	(17)	(52)
Other finance cost	-	54	21	75	70
Actuarial (gain) recognised in Statement of Comprehensive Income and Expenditure	-	(44)	-	(44)	133
Remaining change in balance sheet liability recognised in SoCIE	-	-	-	-	(1)
Net change in underlying assumptions (see Note 8) -					
- Change in underlying assumptions	-	-	(952)	(952)	(123)
- USS deficit contributions payable	-	-	(35)	(35)	(83)
Balance at end of year	-	1,054	-	1,054	2,011

17. Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2024 Total £000	2023 Total £000
Balance at beginning of year				
Capital	31,786	42,637	74,423	71,352
New donations and endowments	230	-	230	1,802
Fund transfers	-	-	-	(1,168)
Increase/(decrease) in market value of investments	2,580	(2,373)	207	2,437
Balance at end of year	34,596	40,264	74,860	74,423
Analysis by type of purpose				
Fellowships	12,330	-	12,330	11,345
Student Hardship and Bursaries	8,027	-	8,027	7,314
Postgraduate Scholarships	6,742	-	6,742	6,198
Undergraduate Scholarships and Prizes	1,702	-	1,702	1,553
Travel Awards	373	-	373	343
Music, Chapel and Choir	462	-	462	425
Student Sports and Culture	1,068	-	1,068	989
Library Funds	2,820	-	2,820	2,624
Other Funds	1,072	-	1,072	995
Corporate Capital	-	40,264	40,264	42,637
	34,596	40,264	74,860	74,423
Analysis by asset				
Property	-	39,596	39,596	43,289
Less Bank loan	-	(5,405)	(5,405)	(5,875)
Securities	34,596	6,038	40,634	36,974
Cash	-	35	35	35
	34,596	40,264	74,860	74,423

18. Restricted Reserves

Reserves with restrictions are as follows:

Consolidated	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2024 Total £000	2023 Total £000
Balance at beginning of year					
Capital	-	-	5,112	5,112	5,039
Accumulated income	-	3,248	-	3,248	3,035
	-	3,248	5,112	8,360	8,074
New donations	-	-	1,877	1,877	1,480
Fund transfer	-	39	(39)	-	-
Endowment return transferred	-	934	102	1,036	941
Other income	-	99	210	309	164
Increase/(decrease) in market value of investments	-	-	281	281	212
Transfers	-	6		6	(697)
Release of capital funds spent in year	-	-	-	-	(100)
Expenditure	-	(780)	(1,022)	(1,802)	(1,714)
Balance at end of year	-	3,546	6,521	10,067	8,360
Capital	-	-	6,521	6,521	5,112
Accumulated income	-	3,546	-	3,546	3,248
	-	3,546	6,521	10,067	8,360
Analysis of other restricted funds/donations by type of purpose					
Fellowships	-	1,176	3,255	4,431	3,354
Student Hardship and Bursaries	-	1,488	583	2,071	1,974
Postgraduate Scholarships	-	445	77	522	700
Undergraduate Scholarships and Prizes	-	204	898	1,102	981
Travel Awards	-	64	45	109	112
Music, Chapel and Choir	-	67	-	67	59
Student Sports and Culture	-	57	2	59	54
Library Funds	-	44	7	51	78
New Library Funds	-	-	-	-	780
Other Funds	-	1	1,654	1,655	268
	-	3,546	6,521	10,067	8,360

19. Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2024 £000	2023 £000
Surplus for the year	2,492	4,859
Adjustment for non-cash items		
Depreciation	1,749	1,654
Investment income	-	-
Decrease/(Increase) in stocks	(19)	(2)
Decrease/(Increase)in trade and other receivables	893	(1,211)
(Decrease)/Increase in creditors	457	509
Movement in pension deficit	(913)	(92)
(Gain)/loss on investment	(1,108)	(3,184)
Donated Heritage Assets	-	(82)
Adjustment for investing or financing activities		
Investment income	(4,360)	(4,214)
Interest paid	177	190
Net cash inflow from operating activities	(632)	(1,573)

20. Cash flows from investing activities

	2024 £000	2023 £000
Investment income	4,360	4,214
Non-current investment disposal	1,549	11,450
Endowment funds invested	(2,615)	(15,678)
Payments made to acquire non-current assets	(204)	(107)
Total cash flows from investing activities	3,090	(121)

21. Cash flows from financing activities

	2024 £000	2023 £000
Interest paid	(177)	(190)
Repayments of amounts borrowed	(470)	(470)
Total cash flows from financing activities	(647)	(660)

22. Consolidated reconciliation and analysis of net debt

	At July 2023	Cash Flows	Acquisitions & Disposal of subsidiaries	New finance leases	Other non-cash changes	Changes in market value and exchange rates	At 30 June 2024
	£000	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	3,994	1,811	-	-	-	-	5,805
Borrowings: amounts falling due within one year							
Unsecured loans	(470)		-	-	-	-	(470)
Bank overdraft	-	-	-	-	-	-	-
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(470)	-	-	-	-	-	(470)
Borrowings: Amounts falling due after more than one year							
Unsecured loans	(5,405)	470	-	-	-	-	(4,935)
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(5,405)	470	-	-	-	-	(4,935)
	(1,881)	2,281	-	-	-	-	400

23. Financial Instruments

	2024 £000	2023 £000
Financial assets		
Financial assets that are equity instruments measure at cost less impairment		
Other investments	62,788	56,921
Financial assets that are debt instruments measure at amortised cost		
Cash and cash equivalents	5,805	3,994
Other debtors	1,804	2,697
Financial liabilities		
Financial liabilities measure at amortised cost		
Loans	5,405	5,875
Trade creditors	1,297	1,299
Other Creditors	1,894	1,500

24. Capital commitments

	2024 £000	2023 £000
Capital commitments at 30 June are as follows:		
Authorised and contracted	-	-

25. Pension Schemes

The College participates in three defined benefit schemes and two defined contribution schemes. The defined benefit schemes are the Universities Superannuation Scheme (USS), the Cambridge Colleges' Federated Pension Scheme (CCFPS) and the Church of England Funded Pensions Scheme (CEFPS). The defined contribution schemes are the NOW: Pensions scheme and the Cambridge Colleges Group Pension Scheme. The details of the schemes are as follows:

Universities Superannuation Scheme

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. As set out in Note 16, no deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The College was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), 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 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumptions	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% pa from 2030
Pension increases (subject to a floor of 0%))	
	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%):
CPI assumption minus 3bps	
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.50% p.a. Post retirement: 0.9% p.a.

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

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

25. Pension Schemes continued

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

Cambridge Colleges' Federated Pension Scheme

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

The liabilities of the plan have been calculated, at 30 June 2024, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions 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:

	2024 % p.a.	2023 % p.a.
Discount rate	5.10	5.20
Increase in salaries to 2030	2.90	3.30
Increase in salaries from 2031	3.80	3.30
Retail Prices Index (RPI) assumption	3.35	3.40
Consumer Prices Index (CPI) assumption to 2030	2.35	2.80
Consumer Prices Index (CPI) assumption from 2031	3.25	2.80
Pension Increases in payment (CPI Max 2.5% p.a.)	2.00	2.05

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

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

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

	Male	Female
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.

25. Pension Schemes continued

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

	2024	2023
	£	£
Present value of plan liabilities	(5,595,887)	(5,587,216)
Market value of plan assets	4,541,294	4,541,875
Net defined benefit asset/(liability)	**(1,054,593)**	**(1,045,341)**

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

	2024	2023
	£	£
Current service cost	-	-
Administrative expenses	15,918	15,918
Interest on net defined benefit (asset)/liability	54,420	31,732
Loss/(gain) on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	**70,338**	**47,650**

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

	2024	2023
	£	£
Present value of plan liabilities at beginning of period	5,587,216	6,411,539
Current service cost	-	-
Employee contributions	-	-
Benefits paid	(284,996)	(267,979)
Interest on plan liabilities	283,219	238,594
Actuarial losses/(gains)	10,448	(794,938)
Loss/(gain) on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	**5,595,887**	**5,587,216**

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

	2024	2023
	£	£
Market value of plan assets at beginning of period	4,541,875	5,578,193
Contributions paid by the College	17,245	(30,700)*
Employee Contributions	-	-
Benefits paid	(284,996)	(267,979)
Administrative expenses paid	(18,372)	(19,399)
Interest on plan assets	228,799	206,862
Return on assets, less interest included in Profit & Loss	56,743	(925,102)
Market value of plan assets at end of period	**4,541,294**	**4,541,875**

* an overpaid deficit reduction contribution of £43,000 was refunded to the College

Actual return on plan assets	285,542	(718,240)

25. Pension Schemes continued

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

	2024	**2023**
Equities	46%	49%
Bonds & Cash	42%	38%
Property	12%	13%
Total	**100%**	**100%**

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

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

	2024	**2023**
	£	£
Return on assets, less interest included in Profit & Loss	56,743	(925,102)
Expected less actual plan expenses	(2,454)	(3,481)
Experience gains and losses arising on plan liabilities	(28,224)	(353,138)
Changes in assumptions underlying the present value of plan liabilities	17,776	1,148,076
Remeasurement of net defined benefit liability recognised in OCI	**43,841**	**(133,645)**

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

	2024	**2023**
	£	£
Net defined asset/(liability) at beginning of year	(1,045,341)	(833,346)
Recognised in Profit and Loss	(70,338)	(47,650)
Contributions paid by the College	17,245	(30,700)*
Remeasurement of net defined benefit liability recognised in OCI	43,841	(133,645)
Net defined benefit asset/(liability) at end of year	**(1,054,593)**	**(1,045,341)**

* an overpaid deficit reduction contribution of £43,000 was refunded to the College

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 actuarial valuation are different to those adopted under FRS102.

The last such actuarial valuation was as at 31 March 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 12 June 2024 and are as follows:

- Annual contributions of not less than £79,649 per annum payable for the period to 30 March 2030.

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

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25. Pension Schemes continued

Other Pension Schemes

The College participates in three other pension schemes:

NOW: Pensions

The College appointed NOW: Pensions to provide its workplace pension scheme for its non-academic staff from 1 April 2014. NOW: Pensions provides a defined contribution scheme which invests employer and employee contributions to provide a member specific fund that will be converted into pension on the member's retirement. There were contributions of £25k (2023: £25k) outstanding as at the year end due to NOW: Pensions.

Cambridge Colleges Group Personal Pension Scheme

The College offered a defined contribution pension scheme to its non-academic staff until April 2014. The pension cost for this scheme represents contributions payable by the College, plus the set-up costs. There were contributions of £2k (2023: £2k) outstanding as at the year end due to the Cambridge Colleges Group Personal Pension Scheme.

Church of England Funded Pensions Scheme

Magdalene College (Cambridge) 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 Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions 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 FRS 102. 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 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £0).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus 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 tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.
The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

% of pensionable stipends
31 December 2021 7.1% payable from January 2021 to December 2022
31 December 2022 Nil
31 December 2023 Nil

25. Pension Schemes continued

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

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 FRS 102 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.

	2023	2022
Balance sheet liability at 1 January	0	2,000
Deficit contribution paid	0	(1,000)
Interest cost (recognised in SoFA)	0	0
Remaining change to the balance sheet liability* (recognised in SoFA)	0	(1,000)
Balance sheet liability at 31 December	0	0

* 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.

	Dec-23	**Dec-22**	**Dec-21**
Discount rate	n/a	n/a	0.0% pa
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5% pa

The legal structure of the scheme is such that if another Responsible Body fails, Magdalene College (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

The total pension cost for the year to 30 June (see note 8) was as follows:

	2024	**2023**
	£000	£000
USS: Contributions	248	288
CCFPS: Charged/(Credited) to SOCIE	1	(47)
Other Schemes	166	236
	415	477

26. Related Party Transactions

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

26. Related Party Transactions continued

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

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

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

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

		2024	**2023**
From	To		
£1	£10,000	29	24
£10,001	£20,000	7	7
£20,001	£30,000	2	2
£30,001	£40,000	2	1
£40,001	£50,000	-	1
£50,001	£60,000	-	1
£60,001	£70,000	1	1
£70,001	£80,000	-	-
£80,001	£90,000	-	1
£90,001	£100,000	1	1
£100,001	£110,000	1	-
£110,001	£120,000	1	1
	Total	44	40

The total Trustee salaries were £705k for the year (2023: £758k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £182k for the year (2023: £214k).

The College has one trading subsidiary, Cloverleaf Limited, which is consolidated into these accounts. Cloverleaf Limited is 100% owned by the College and is 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 grouped companies that are related parties.

27. Principal subsidiary and associated undertakings and other significant investments

	Cost £	**Class of shares**	**Holding**
Cloverleaf Limited	1	Ordinary	100%

The principal activity of the above company is the development of the grounds and buildings of Magdalene College, Cambridge. This company is included in these consolidated financial statements.

THE COLLEGE OF ST MARY MAGDALENE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137542

Accounts

MAGDALENE COLLEGE
CAMBRIDGE

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2023

Registered Charity Number 1137542

MAGDALENE COLLEGE, CAMBRIDGE
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2023

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FELLOWSHIP

Governing Body (Trustees of the charity)

Sir Christopher Greenwood GBE CMG KC, MA, LLM
J R Patterson, MA, PhD
M E J Hughes, MA, PhD
Professor T Spencer, MA, PhD (until 30 September 2022)
Professor B J Burchell, MA, PhD (Warwick)
Professor S Martin, MA, PhD
Professor T N Harper, MA, PhD
Professor N G Jones, MA, LLM, PhD
Professor H Babinsky, MA, PhD (Cranfield)
Professor P Dupree, MA, PhD
Professor S K F Stoddart, MA, PhD
Professor T A Coombs, MA, PhD
Professor H Azérad, MA, PhD
A L Hadida, MA, PhD
Professor C S Watkins, MA, MPhil, PhD
Professor A L Du Bois-Pedain, MJur (Oxon)
Professor S C Mentchen, MA
S J Morris, BA (Newcastle), FCA, IPFA
R M Burnstein, MB, BS, PhD
G P Pearce, MA, PhD
Professor C Brassett, MB, BChir, MChir, FRCS
Professor M J Waithe, MA (Leeds), PhD
C D Lloyd, MA (Kent)
R L Roebuck, MEng, PhD
Professor A K Bennison, PhD (London)
Professor L C Skinner, MPhil, PhD
Professor E So, MEng, PhD, CEng
Professor W T Khaled, MA, PhD
A Ercole, MA, PhD, PG Dipl, MB BChir, FRCA
T G Euser, MSc, PhD (Twente)
J M Munns, MA (Durham), MPhil (Bristol), PhD, FRSA
S A Bacallado, PhD
Professor S Dubow, DPhil (Oxon)
Professor S J Eglen, DPhil (Oxon)
N R Carroll, MA, MB, BChir
Professor J J Orr, PhD
The Revd S Atkins, MA
Professor P J Lane, MA, PhD
A Meghji, MA, MPhil, PhD (until 31 December 2022)
M C Skott, PhD (until 30 September 2022)
A Mills, DipABRSM, MA, BCL (Oxon), Barrister at Law (Gray's Inn)
E Gallo, MPhil, DPhil (Oxon)
S Ravenscroft, MA (Nottingham), PhD
J Patterson, MA (London), PhD (Manchester) (from 1 September 2022 until 30 September 2023)
C Whitely, MPhil (London), PhD (LSE) (from 1 September 2022 to 31 August 2023)
Professor K Okkenhaug, PhD (Toronto, Canada) (from 1 October 2022)
Professor L G Fisher, MA (St Andrews), PhD (from 1 October 2022)
A Bryan, MA (York), PhD (London) (from 1 September 2023)

Emeritus Fellows

Professor P J Grubb, ScD
Professor R Hyam, LittD
P E Reynolds, ScD
His Honour C F Kolbert, MA, PhD
Professor N Boyle, LittD, FBA
Professor R J S Spence, MA, PhD
Professor E Duffy, DD, FBA
Professor N Rushton, MD
Professor H A Chase, ScD, FREng
Professor M A Carpenter, ScD
K Patel, MA, MSc, PhD (Essex)
Professor T Spencer, MA, PhD (From 1 October 2022)

Research Fellows

S Caputo, PhD (until 30 September 2022)
Y Glazer-Eytan, PhD (until 31 December 2022)
A Baez-Ortega, PhD
D Dunkelmann, MSc (Zurich), PhD
P Asimov-Hofmann, AB (Brown), MSt (Oxon), PhD
H Marshall, MA (Brown), PhD (from 1 October 2022)
B Peng, MSc (Fudan, China) (from 1 October 2022)

Senior Research Fellows

P M Steele, MPhil, PhD
A P Coutts, MSc, PhD (until 31 December 2022)
A Neumann, MA, PhD
S L Caddy, PhD (until 30 September 2022)
Professor F Aigbirhio, MA, DPhil, CChem, FRSC
Professor D A S Fergusson OBE, MA (Glasgow), BD (Edinburgh), DPhil (Oxon), DD, FBA, FRSE
T Licence MA, MPhil, PhD, FHEA, FRHistS, FSA (from 1 September 2022)
S Caputo, MSc (Edinburgh), PhD (from 1 October 2022)
A Lefauve, MSc, PhD (from 1 October 2022)
Professor A Fialkov, MSc, PhD (Tel Aviv, Israel) (from 1 December 2022)

Life Fellows

M D Billinge, MA, PhD
A R Thompson, MBE, MA, MPhil
Professor T H Clutton-Brock, ScD, FRS
S Halper, PhD
Professor E H Cooper, LittD, FBA
Professor T A J Cockerill, MA, MPhil (Leeds), PhD (Manchester) (deceased 12 June 2023)
Professor E Rothschild CMG, MA
Professor J R Raven MA, PhD, LittD, FRA
M C Skott, PhD (from 1 October 2022)

Bye-Fellows

O F R Haardt, PhD (until 30 September 2022)
F England, MEng (London), MRes (until 30 September 2022)
C Vassiliu, MPhil (until 30 September 2022)
V Vitaliev, MA (Kharkiv), PhD (Moscow) (until 30 September 2023)
M Hrebeniak, PhD (London), MA (honorary) (until 31 December 2022)
C MacKenzie, PhD (ANU, Australia) (from 1 October 2022)
Z Bond, MA PhD (from 1 October 2022)
R Hall Maudslay, MEng (from 1 October 2022 until 30 September 2023)
M-R Newis, MPhil (from 1 October 2022 until 30 September 2023)
J Hauge, PhD (from 1 October 2022)

Visiting Fellows

Professor C Casey MA, PhD (Dublin) (until 30 September 2022)
Professor D Chisholm, PhD (Washington) (from 1 October 2022 to 31 December 2022)
Professor G Bagnasco Gianni, MA (Milano), PhD (Perugia) (from 1 October 2022 to 31 December 2022)
Professor A Orellana, PhD (CU Chile) (from 17 April 2023 to 31 July 2023)
Professor C Whelan, MSc (Ireland), PhD (from 17 April 2023 to 31 July 2023)
Mr D Mulhall, MA (Cork, Republic of Ireland) (from 1 October 2022 to 30 September 2023)

Honorary Fellows

HRH the Duke of Gloucester KG, GCVO, MA
Professor Sir John Boardman, MA, FBA, Hon RA
Professor Sir David Hopwood, MA, PhD, DSc (Glasgow), FRS
Professor H H Vendler, AB, PhD (Harvard), Hon Litt D
J C F-Simpson CBE, MA, FRGS
Sir Colin Corness, MA
Professor Sir Richard Jolly KCMG, MA, PhD (Yale)
Professor Sir John Gurdon, PhD, Hon ScD, Hon DSc (Oxon), FRS
D J H Murphy, MA
Professor D C Clary, ScD, FRS
The Rt Hon Lord Malloch Brown KCMG, MA
R W H Cripps AM
The Rt Hon Lord (Igor) Judge Kt, PC, MA, Hon LLD
The Rt Hon Sir Andrew Morritt, PC, CVO, MA
R H Vignoles, BA, BMus, ARCM, Hon RAM, Hon FRCM
The Hon Yan Lung Wong, SC, MA, JP
Khoon Hong Kuok, BA (Singapore)
D D Robinson, CBE, MA and MA (Yale), FSA, DL (deceased 2 December 2022)
Professor S Springman, CBE, PhD, FREng
C I von Christierson, MA
HRH Sultan Nazrin Shah, BA (Oxon), PhD (Harvard)
L L Cardozo Kindersley MBE
Dame C A Duffy DBE, BA (Liverpool)
A Tennent, BA, MIB
T Cripps, BA, MBA
The Rt Revd & Rt Hon the Lord Williams of Oystermouth, PC, DD, Hon DCL (Oxford), FBA
Professor the Lady Williams of Oystermouth, MA
The Rt Hon Brenda Marjorie Hale, Baroness Hale of Richmond, DBE, PC, FBA
M C Newell, BA
The Very Revd Dr D M Hoyle MBE, MA, PhD
C B M Derham, MA
M Moorman, MPhil
A Schultz, MA

Fellow-Commoners

R L Skelton, MA
A I J Fitzsimons, Diplômée de l'ISIT (Paris)
J J Hellyer Jones, MA, FRCO
P J Marsh, MPhil, Honorary PhD (University of Central England)
R V Chartener, AB (Princeton), MPhil, MBA (Harvard)
C H L Foord, MAAT, Assoc CIPD
Sir Andrew Ritchie, KC, MA (until 8 November 2022)
Professor C V S Brasted-Pike, MA, MSci, PhD
G H Walker, MA, LRAM, PGDip (RAM) (until 31 August 2022)
H Critchlow, PhD
L Masuda-Nakagawa, PhD (Tokyo)
Sir Bradley Fried, MBA (Pennsylvania), CA(SA) (until 31 May 2023)
F Schuery, MA
A Thom, MA, PhD (until 10 February 2023)
C N Spottiswoode, PhD
J M Potter, BA (Oxon), (from 1 September 2022)

MAGDALENE COLLEGE, CAMBRIDGE
PRINCIPAL OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 JUNE 2023

Address

Magdalene College
Cambridge
CB3 0AG

Officers

Master:	Sir Christopher Greenwood GBE CMG KC, MA, LLM
President:	Professor B J Burchell, MA and PhD (Warwick) (until 30 September 2023) N R Carroll, MA, MB, BChir (from 1 October 2023)
Senior Tutor:	Professor Stuart Martin, MA, PhD
Senior Bursar:	Mr Steven Morris, BA (Newcastle), FCA, IPFA
Development Director:	Mrs Corinne Lloyd, MA (Kent)

Professional Advisers

Auditors:	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA
Bankers:	Lloyds Bank 3 Sidney Street Cambridge CB2 3HQ
Property Managers: (Commercial)	Cheffins Commercial Clifton House 1-2 Clifton Road Cambridge CB1 7EA
Property Managers: (Agricultural)	Savills Olympic House Doddington Road Lincoln LN6 3SE
Securities Managers:	Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN Cazenove Capital 1 London Wall Place London EC2Y 5AU Troy Asset Management 33 Davies Street London W1K 4BP
Solicitors:	Ashtons Legal Chequers House 77-81 Newmarket Road Cambridge CB5 8EU

MAGDALENE COLLEGE, CAMBRIDGE
REPORT OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2023

The Governing Body of Magdalene College presents its Reports and Accounts for the year ended 30 June 2023.

STATUS

The College of Saint Mary Magdalene, one of 31 Colleges in the University of Cambridge, commonly called Magdalene College, was re-founded by Lord Audley of Walden in 1542. The 1542 Charter provides that the College is '*for the advancement of knowledge, arts, learning and virtue and for the advancement of moral studies in the University of Cambridge.*' The College became a registered charity on 18 August 2010. The Charity Commission of England and Wales is therefore the principal regulator for the College.

The College is a legally independent corporation within the collegiate University of Cambridge. A system of University-wide committees exists to plan and discuss the joint affairs of the collegiate University.

AIMS AND OBJECTIVES

The Governing Body has adopted a Strategic Plan to determine the future direction and size of the College. This plan identifies the priorities to be addressed to maintain and enhance teaching provision and the College's academic resources, and to provide appropriate residential and recreational amenities.

The College's charitable purpose as a place of religion, education, learning and research is clearly reflected by objectives in the Strategic Plan:

- to deliver a world-class undergraduate education by safeguarding the provision of small-group College-based supervision teaching;
- to maintain and develop a commitment for encouraging applications from the most talented students irrespective of social, ethnic and religious background in tandem with a needs-blind admission system supported by a comprehensive bursary programme; and
- to promote academic research of the highest quality.

GOVERNANCE

The Governing Body of the College comprises the Master and the Fellows (Classes A, B and C, if aged below 67 years) and they are *de facto* the trustees of the College. This body is constituted and regulated in accordance with the College Statutes (revised 1997) and is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets at least seven times a year under the chairmanship of the Master. The Presidents of the Middle Common Room (MCR) and the Junior Common Room (JCR) attend for unreserved business.

The Governing Body acknowledges its responsibility to act with prudence and care and to ensure the College complies with relevant laws and regulations. The Governing Body elects all Fellows of the College. Information is given to new Fellows regarding the College and how it is governed.

The principal committees of the Governing Body include the:

- Academic Committee; which establishes policy and monitors progress in respect of the College's main activities of education and research. The Committee meets five times a year and its membership is drawn from the Governing Body;
- Fellowship Committee; which advises on the recruitment and the retention of College Fellows including recommendations about individual elections. The Committee meets at least four times a year. Its membership, which is drawn from the Governing Body, reflects the range of academic disciplines;
- Finance & General Purposes Committee; which has responsibility for the oversight of the College's financial and administrative affairs and meets six times a year. Membership is drawn from the Governing Body;

- Investments Committee; which has oversight and sets policy for the College's endowment. The Committee meets four times a year and it includes external members with knowledge and experience of investments; and

- Development Committee; which oversees and sets policy for the College's alumni relations and fundraising programmes. The Committee meets at least three times a year and its membership is from the Governing Body and the wider Fellowship.

As secretary to the Governing Body, the Senior Bursar maintains a register of interests for members of the Governing Body. Declarations of interest are standing items on the agendas of the Governing Body and its principal committees. The Governing Body has established Stipends and Remuneration Committees, with memberships which are independent from it, to review and to advise on the benefits appertaining to Fellows. This Committee met on one occasion during the financial year to review relevant policy proposals. In terms of the College's pay policy, including that of senior management, a formal triennial review against comparative roles is undertaken to benchmark pay and subsequent recommendations appertaining to Fellows / College Officers are made to the Stipends and Remuneration Committees, which advise the Governing Body accordingly. Additional disclosure on the salaries of Fellows of the College who form the trustee body is given in the Notes to the accounts.

The Master is the chairman of the trustees and has a duty to promote the welfare of the College and to ensure the College maintains an appropriate learning environment for its members. The President, as a senior fellow, supports the interests of the fellowship and acts as the vice-master. The Senior Tutor has day-to-day responsibility for the admission, education and welfare of undergraduate and postgraduate students and supporting the research activities of the College. The Governing Body appoints Admissions Tutors to support the Senior Tutor in the selection of suitable students for admission to the College. The Senior Bursar has responsibility for the estates, finance and administration of the College.

The College appoints a Director of Studies for each undergraduate and provides small group teaching in addition to the teaching provided by the University. The College also provides a Tutor for each student and access to other forms of pastoral care, including a Dean of Chapel, Nurse and Counsellors. Together, the Dean and the Tutors have responsibility for maintaining standards of behaviour and good order in the College.

Members of the MCR and the JCR elect annually an executive committee to support and promote their welfare. The College makes grants to these student bodies, as well as to sports and cultural societies.

PROGRESS MADE DURING THE YEAR

This year has been the first 'normal' year of college operations and activity since the pandemic. This has allowed students to return to normal residence and to undertake teaching and social activities without health related restrictions. It has permitted international travel and in-turn a gradual return to conferences and local businesses to operate unregulated again so commercial property rental income has markedly improved. The college has transitioned to hybrid working practices where ever practical and has aimed to rekindle the strong community on which it is based.

The College is always striving to improve its own academic standards and is active in promoting the wider collegiate University's standing in terms of teaching and research and the position of the colleges within it. The College aims to build upon its existing academic strengths by recruiting Fellows who are outstanding in their field of study and by admitting talented students.

Although the New Library was operational from early 2021 it has thrived this year as a multi-functional resource and learning centre for the college and its students. Our students have enjoyed the high quality setting in which to study and progress in consolidating the archives into a single location has been substantial. The art gallery has proven a great success, operating with three exhibitions per year, this has provided an enhancement to the local community and new connections with similar institutions nationally and internationally are being made. The College was proud to win a number of design and material awards within the construction industry and was nominated as a finalist and subsequently won the RIBA Stirling prize. This recognised the high quality design and very long term expected life of the building. Since this success the college has on occasions opened the building to the public and is conducting tours for members and other interested parties.

The college also decided to re-start its plans to restore and improve the Samuel Pepys building in order to undertake a substantial refurbishment of the building in the near future. It will require a new fundraising effort as well as a substantial financial commitment from the college.

Perhaps the most significant impact during the year though has been inflationary pressures on college costs in conjunction with a labour shortage. This has led to high staff turnover, high wage growth and substantial increase in the day-to-day costs on college operations. Opportunities to grow income in line with inflation are limited which in-turn is leading to financial pressures on the college's operational budget.

FINANCIAL REVIEW

Scope of Financial Statements

The financial statements include the accounts of Magdalene College and its subsidiary undertaking.

Sources of Funding

The principal sources of income of the College are:

- Students through fees charged for education provided
- The University through fees charged for education provided to its students
- Donors through grants for research
- Members and friends of the College through donations and bequests
- Students and Fellows through charges for goods, services and facilities provided
- Conference customers for goods, services and facilities provided
- Investment income from the accumulated endowment.

Results for the Year

The financial results for the year are given as follows:

	2023 £000	2022 £000	% Change
Total Income	15,167	12,899	+17.6%
Total Expenditure	(13,492)	(11,690)	+15.4%
Surplus before investment gains or changes to pension schemes	1,675	1,209	+38.5%
Gain on investments	3,184	3	+1,060.3%
Actuarial (loss)/gain on pensions	(133)	510	-126.3%
Total Comprehensive Income	**4,726**	**1,722**	**+174.4%**

The College deems it prudent to plan for a modest recurrent surplus to provide stability and to allow for new funds for reinvestment.

Income

Overall income (before investment gains and actuarial pension changes) has increased by 17.6% when compared to the previous year. This was due to a full recovery following the pandemic in member income for accommodation and catering, a partial recovery of conference business and in investment income. In addition, donations related to student support increased in the year. In a reversal from last year, market value gains on securities significantly offset some smaller capital losses in commercial property values.

Income from academic fees was slightly lower than the previous year as fewer postgraduate students were admitted. There was reduction in research activity and income support from the University towards the Cambridge Bursary Scheme.

Income from College-provided accommodation and catering was £3,988k (£3,165k for 2021-22), an increase of 26% on last year. Although College member accommodation and catering income have both recovered and now exceed pre-pandemic levels, conference revenues have been slower to recover. Income from conference activity was just under 50% of pre-pandemic levels.

Investment income increased by 13.1% to £4,214k (£3,726k previous year) against a backdrop of turbulent financial markets. Despite these challenges actual income grew by 11.4%. The policy spending rate on a total return accounting basis, which had been reduced in 2020 to 3%, was reinstated to 3.25% for 2022-23. Rental income from the commercial property estate similarly increased by 11.4% with good rental collection and few voids following the challenging period of the pandemic.

Total donation income was £3,727k (£2,616k 2021-22), reflecting continued generous donations in support of student welfare and financial assistance, a large student bursaries related gift and a substantial donation towards the Pepys Building restoration project.

Expenditure

Expenditure on education increased to £5,855k (£5,049k previous year), which compares to £2,894k received (£3,016k previous year) directly from academic fees, providing a calculated deficit on educational activity of £2,961k (£2,033k previous year). This derives from an increase in teaching and tutorial related costs, including the New Library facility and investment in student mental health and wellbeing. Expenditure on education accounts for 43.4% (previous year 43.2%) of total expenditure.

Expenditure on College-provided accommodation and catering increased to £5,023k (£4,164k previous year) fully recovering from pandemic restrictions. Other operating costs related to accommodation and catering and conferences increased by over 92% in line with a return to normal activity and due to increase conference activity.

Total staffing costs increased by 23.0% over the previous year and amounting to £5,244k (£4,264k previous year) or 38.9% of total costs (36.5% the previous year). This reflects the continued tight labour market throughout the year. In particular, staff retention and recruitment was challenging. The College followed the pay award in line with the higher education sector for its employees, but further enhanced this with an uplift given to staff on lower pay rates in accordance with the College's policy to match the 'Real Living Wage'. During the year, the College also paid two discretionary bonuses to staff in recognition of the growing cost of living.

The Governing Body remains concerned about the long-term costs of providing defined benefit pensions, and whilst it has taken steps to try to limit future liabilities by ceasing to offer a defined benefit scheme to new non-academic staff, many current employees participate in a defined benefit salary scheme. There has been an increase in the FRS 102 pension deficit, £2,011k (£1,969k 2021-22), with the deficits for CCFPS increasing by 25.5% and USS scheme decreasing by 17.4%. The USS pension provision accounting adjustment is included in Other Expenditure.

Depreciation costs for operational buildings remained constant at £1,646k (£1,642k previous year), there being no significant capital expenditure on operational buildings in the year.

College net assets increased from £197.1m to £201.8m at the end of the year. Endowment values increased due to generous donations and a marked improvement in financial market values compared with the previous year end. Unrestricted reserves increased by £1,369k due to the reclassification of funds previously treated as restricted.

Capital Expenditure and Maintenance

The College's operational assets, the largest asset class of the College, remain a financial pressure for the College. There was no capital expenditure (separate from building maintenance) in the year while the programme concentrated on significant maintenance projects. Effects from the pandemic continue to reach into the maintenance programme although the back log in the general programme has been reduced and momentum gathering on improvement projects planning. The College commissions a rolling condition survey of its operational estate which informs its forward-looking five-year maintenance plan. The maintenance programme is designed to maintain and improve the estate and additional resources have been allocated to it in recent years, recognising the need to increase investment in the long-term maintenance of its operational estate. Inflationary pressures have meant that despite increased investment the programme has had to be reviewed as the College tries to recover from the pandemic.

Investment Policy and Performance

The College manages its investments in securities or its financial assets and directly owned property to produce the highest return consistent with the preservation of capital value in real terms for the long term and given the associated risks. The principal responsibility of the Governing Body in investing the College's endowment is to ensure the real value of the endowment is maintained after spending, consistent with the risk/return profile adopted and within a suitably diversified portfolio. The Governing Body expects, within the scope of this fiduciary duty, its fund managers to engage actively with companies to promote and support acceptable standards of practice in respect of their business activities and how they impact on their employees, the environment, and the communities in which they operate.

The Investments Committee undertakes an ongoing review of its responsible investment policy. The Governing Body approved a Statement of Investment Principles, which clearly sets out the investment objectives, risk appetite and responsible investment policy. The purpose of the endowment is to preserve the real value after making distributions and inflation and to provide a steady reliable cashflow to support the college. The College expects its fund managers to integrate a responsible investment approach and to align with the principles of the UN Compact.

The College holds a securities-based portfolio which was valued at £57.0m (£50.0m previous year). Its principal fund manager is Baillie Gifford (managing £37.0m in 2022-23 and £44.5m previous year). During the year the College decided to diversify its fund managers by moving £12.4m from a Baillie Gifford fund to two new managers Cazenove Capital and Troy Asset Management. The College has a duty to maximise return from its investments, but it does so in a manner to be consistent with the College's charitable mission. The College also has direct property and agricultural land holdings (£43.4m in 2022-23). The direct property, which is managed by Cheffins, is held as a long-term strategic asset, with the policy of maximising yield, whilst the agricultural land is managed by Savills.

The Investments Committee, for its securities portfolio, agreed to reinstate the total return policy to the pre-pandemic 3.25% spending rule and this resulted in a drawdown (from capital and income) of £1,491k (£1,207k in 2021-22). The unapplied total return fund provides a contingency sum in the event of falling capital values in financial markets and thus permits drawn down in adverse market conditions.

Given the impact of volatile financial markets, growing inflationary pressures and consequential monetary tightening, the College has been generally pleased with the performance of the endowment. Strong capital gains in financial markets in the College's equity related investments have more than cancelled out the previous years capital losses and the offset returns from directly (and indirectly) held property.

Directly held property returned 3.6% in the year (13% 2021-22), whilst the Charities Property Fund returned -13.3% against the Index average of -17.4% for the same 12-month period.

The Baillie Gifford funds had mixed fortunes with the Responsible Global Equity Income fund performing strongly with a net return of 14.4% against a target benchmark of 11.9% whilst the Multi Asset Growth Fund performance was disappointing with a net return for one year of -8.9%. The College had previously decided to diversify its fund managers and used the sum invested in the Ballie-Gifford Multi Asset Growth Fund to invest with an alternative fund manager. Following an extensive selection process Cazenove Capital and Troy Asset Management were employed, and £12.4m was invested in two tranches with half being allocated to each manager. Returns for the two funds since investment were -1.6% and 0.2% respectively. A further £1m has been placed on fixed term deposit for 9 months with returns on cash following interest rate rises being more competitive once again.

During the year the College increased its investment in the University's endowment fund, the interim year end valuation of the holding being c.£6.8m; performance and year end valuation information for the year to June 2023 is unavailable until later in the year.

Donations and Fundraising

Magdalene's primary fundraising efforts are directed at raising monies through major donations as well as by regular giving, and to add to the College's endowment. Key objectives for the College include teaching, research, and student support. The main focus of fundraising efforts for the year was on student support with in excess of £2m donated to support students in a variety of ways: mental health and wellbeing, scholarships, student bursaries and student societies. The College is truly grateful for the generous response, enthusiasm for and support of the College's fundraising efforts.

The ongoing support of our Members, friends and the Fellowship is particularly welcome and appreciated during these trying economic times. Over the course of 2022-23, donations to the College exceeded expectations with the focus on student support resonating with donors. Despite the difficult economic climate, the 2023 Telethon raised £390k. The College is grateful to its members and supporters. The costs of fundraising efforts were £216k (£209k for 2021-22).

During the year the College reviewed its plans to fundraise for the restoration of the Pepys building, particularly in light of increasing inflationary pressures on project costs.

The College is registered with the Fundraising Regulator and continues to develop a shared understanding and agreement for activities concerning alumni, be it communications, attendance of events and use of data. The College has a Data Protection Statement which governs the use of any personal data held and the College insists alumni grant their consent in holding personal data. The College did not engage professional fundraisers during the year and does not seek to raise funds from members of the public

Reserves, Endowment Funds and Associated Policy

Total College reserves and funds amounted to £201.8m. Within the College's endowment funds there are almost 100 trust funds supporting the College in achieving its aims.

These reserves are represented by the College's operational estate and to a large extent, the permanent endowment assets and, are therefore unavailable as income funds to be spent. Collectively the College maintains its free revenue reserves and its earmarked designated reserves, after taking account of the pension deficit. These are liquid unrestricted funds. The Governing Body considers it prudent to hold sufficient unrestricted reserves and appropriate earmarked reserves in the event of major variations to the College's income and expenditure and has concluded that its general unrestricted free reserves should be 20% of annual income and that its building reserve should represent 1% of the insurable value of the operational estate. Together this amounts to £4.6m.

Unrestricted Reserves shown in the Balance sheet	£119.0m
Of which constitute fixed and heritage assets	(£105.4m)
Less pension provisions	(£ 2.0m)
Leaving unrestricted liquid reserves	£ 11.6m
Target Free Reserves in accordance with College Policy	£ 4.6m

After taking these specific funds into account and a specific building repairs fund for its commercial and operational property, the College has a sufficient level of general funds available as a contingency measure to support its operations.

Cash Flow and Treasury Management

The College's treasury management policy requires cash deposits to be spread across a range of counterparties, all of which must be at least Fitch A credit rated. Net cash funds decreased by £2,354k, from £6,348k to £3,994k over the year. Cash levels at the year end reflect an influx of donations in the final quarter of the year which have since been placed in long term investment into the endowment.

Going Concern

A statement in respect of the College and its financial sustainability is given in the Statement of Principal Accounting Policies and explains that the financial statements have been prepared on a going concern basis. The College plans ahead, preparing detailed budgets looking three years ahead, and has undertaken some financial scenario planning, particularly in relation to differing assumptions on inflation forecasts. The College also holds a healthy level of liquid funds to meet unexpected demands or changes in income streams.

PRINCIPAL RISKS

The College maintains a Major Risks Register that identifies what it considers the major risks to which the College is exposed and their assessed impact and probability of occurrence; this was reviewed and updated during the year. As outlined in the Governing Body's statement on Internal Controls the risk register is reviewed regularly by the principal

College Officers and the Finance & General Purposes Committee, and then final consideration by the Governing Body. As far as is practical the College then takes additional measures to mitigate key risks and where appropriate insurance cover is put in place. Nevertheless, the College is exposed to a variety of significant risks. Presently the known principal risks include:

- Significant harm to the reputation of the College as a constituent part of the collegiate university
- The long-term impact of climate change and the need to transition to a low carbon campus with wide ranging sustainable policies
- The risk of cyber-attacks and unauthorised access to protected digital data
- Adverse performance of financial markets and the real economy which would in-turn impact on the College's endowment assets and other income streams
- The causal effect of the global pandemic and consequential societal restrictions and the shorter-term disruption to global supplies of goods, services and labour and international travel
- The cost of employee defined benefit pensions schemes
- Significant unexpected expenditure on building maintenance
- Rapid changes in inflation across all expenditure heads
- The impact of government policy on College income and individual student finances
- The strategic impact of government policy and any associated regulatory burden on College academic policy and governance arrangements
- Adverse events impacting on the College's academic standing of the college
- The fortunes of the local economy in terms of demand for commercial property in Cambridge
- The challenges of the local transportation system and its implications for recruitment and retention of employees
- The on-going impact on the economy and supply chains of inflationary pressures and the Russian invasion of Ukraine.
- The local labour market and the ability to attract and retain staff

The College through its own financial planning and operational management aims to mitigate the impact or set aside resources in the event of such risks taking place. Across the collegiate university the University and the colleges work collectively to identify and manage common risks and share steps to manage known risks.

FINANCIAL OUTLOOK AND PLANS FOR THE FUTURE

Looking forward and with the pandemic hopefully behind us all, the financial outlook for the college is very challenging. Inflationary forces have fed quickly into food, energy, labour and building costs during 2022 and into 2023. Although there are signs of inflation easing back overall labour and food costs remain elevated. Although Cambridge is a strong regional economy it is still feeling the economic impact of inflation, lowering consumer and business confidence. Rising interest rates have at least improved the financial position of most defined benefit pensions schemes including the sector's USS.

The college has had to set another deficit budget in 2023-24 which aims to give the college time to review and if necessary reshape some of its expenditure without impacting on general services and college life too severely.

Student mental health and welfare are a sector and university wide priority with further resources being invested across the colleges and the university.

The college will advance its preparations for a major capital project restoring and improving the Pepys building and will also focus on its buildings fabric and infrastructure.

The college plans to advance its long term sustainability plans to reduce its impact on the environment.

Approved by the Governing Body on 12 October 2023

C J Greenwood
Master

S J Morris
Senior Bursar

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF PUBLIC BENEFIT
YEAR ENDED 30 JUNE 2023

The Governing Body is satisfied that the activities as described in these reports and accounts meet the public benefit requirements of a registered charity and to its regulator the Charity Commission.

Objects

By maintaining an academic community of the Master, Fellows, Scholars and other students the College is fulfilling its charitable objects as a place of religion, education, learning and research within the University of Cambridge.

Education

The College provides an education for some 372 (2022: 390) undergraduate and 151 (2022: 171) postgraduate fee-paying students which is recognised internationally as being of the highest standard. The education develops students intellectually 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, bursaries, and individual or small-group supervision, as well as pastoral, administrative and academic support through its directors of studies and tutorial and postgraduate mentoring systems, thereby enabling students both to develop personally and intellectually and to proceed to degrees of the University of Cambridge (and in some cases other qualifications);
- specialist choral musical education for its choral students, including provision of choral and organ scholarships;
- a residential community with social, cultural, musical, recreational and sporting facilities that enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College; and
- accommodation and catering at reasonable rates.

Research

In the same way the College advances knowledge and learning through:

- supporting research work pursued by its Fellows through promoting interaction between them and across disciplines, and providing facilities and grants for attendance at national and international conferences and research trips, and other resources for research;
- providing Research Fellowships to outstanding academics in the early stages of their careers, which enable 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;
- providing Fellows and academic staff with study rooms;
- encouraging visits from outstanding academics from other institutions, with or without the provision of accommodation and meals at the common table; and
- encouraging the dissemination of research undertaken by members of the College through the publication of books, papers in academic journals, or other suitable means.

Libraries

The College Library provides a valuable resource for students and Fellows of the College. The College also maintains an Old Library for its members and members of other Colleges and the University of Cambridge more widely, and for external scholars and researchers.

The Pepys Library, which is a collection of international significance, provides an educational resource for academics, allows access to organised tours by local children and institutions, and is regularly open for visits by the general public.

Gallery

The Robert Cripps Gallery, which is incorporated into the New Library building, provides a programme of open and free to access exhibitions throughout the year, In particular the gallery provides an additional high quality facility to the local community. During the course of the year there were 1,464 visitors to the gallery.

Beneficiaries

The resident members of the College, both students and academic Fellows/staff, are the primary beneficiaries and are directly engaged in education, learning or research.

However, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions, and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities and take meals at the common table. The general public are also able to attend various educational activities in the College such as Open Garden exhibitions, and the College's educational festivals. Subject to certain reasonable restrictions, the grounds of the College are open to the general public on most days of the year without charge.

Admissions

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 Fellows and 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, Fellows and academic staff of the College are drawn from across the UK and internationally;
- whilst students of the College are predominantly between 18 and 24 years old, there are no age restrictions in the College's objects, and many postgraduate students are older than 24 years; 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 charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to postgraduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government); and
- A fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to student support.

Student Support

In order to assist undergraduates entitled to student support the College provides, through a scheme operated in common with the University and other Colleges (the Cambridge Bursary Scheme), bursary support for those of limited financial means. (For the academic year 2022-23, the number of awards made was 76, out of a Home/EU undergraduate population of 301; 35 of the awards were at the maximum value of £3,500; and the average value of the awards was £2,643.) The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. Supplementing the Cambridge Bursary Scheme, the College is committed to raising funds to award an enhanced bursary to every undergraduate eligible for the scheme's maximum £3,500 award. During 2022-23 the College was able to support 32 undergraduate students through this enhanced bursary scheme and a further 12 third year undergraduates were assisted through the 'top-up' bursary trial scheme. In response to the growing cost of living the College offered an uplift bursary to 71 students at an average payment of £350 per student.

To support postgraduate students, the College provides substantial financial support. This includes several scholarships to fund fees and living costs and 'top-up' to fill shortfalls in students' funding packages. The College has also established a Postgraduate Research Fund to assist postgraduates with expenses associated with research conferences and activities, usually in conjunction with the University. Awards are based upon academic criteria as well as the financial position of students. During the year the College provided financial assistance amounting to £464k from these schemes.

The College also offers support to all students through a grant scheme to assist with academic materials, supporting the costs of related short courses (e.g. language studies), and attendance at conferences. These awards are given following an evaluation of the academic relevance and the financial means of the student. The College provides a range of annual travel awards to provide opportunities to travel to complement academic study. Total travel awards made in 2022-23 were £22.4k
The Governing Body usually approves annual prizes and scholarships for undergraduates obtaining outstanding examination success. Due to the national marking boycott the College has been unable to make these awards. A provision of £23k has been included in the accounts pending to outcome of examination results.

Finally, the College operates a hardship scheme, which also partially contributes to the cost of the Cambridge Bursary Scheme, for all students in financial hardship and is actively campaigning to raise additional funds from its members. Awards are assessed by the student's Tutor and are based upon the specific financial situation of the student. The combined costs for these financial awards were £29.8k for the year.

Access

The College aims to attract outstanding applicants irrespective of their personal or education background, by coordinating an extensive programme of outreach activities. In the last year, the outreach programme has engaged over 5,000 pupils from across the UK. Recent events have included the Liverpool Event for Years 10 and 11 pupils in March 2023; the Magdalene Residential for Year 12s in April 2023; and UCAS Fairs in Liverpool, Bangor, and the Isle of Man in June 2023. The College also hosts regular Open Days, visits from school groups, online webinars, and an essay competition for Year 12 pupils interested in Arts and Humanities subjects. The outreach programme is supported by College Fellows, staff, and existing Student Ambassadors to provide an insight into academic and student life at Magdalene.

Religion

The College carries forward the tradition, 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 and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors;
- Maintains its choral tradition, which is integral to the provision of divine service in its Chapel, through the College's Choir;
- Supports, through the College Chaplain and through others, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none;
- Strives to maintain a College community which is socially cohesive and is supportive of its members from all faith backgrounds or none; and
- Maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron or joint Patron of 11 parishes.

There is no geographical, age or religious restriction on who may attend Chapel in the College and in practice those attending are highly varied and include those who do not follow the Christian faith. The pastoral services of the clergy of the College are available to all members of the College whatever their faith traditions or none.

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF INTERNAL CONTROL
YEAR ENDED 30 JUNE 2023

The Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes, the requirements of the Charity Commission and the Education Memorandum with the University of Cambridge.

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The process was in place for the year ended 30 June 2023 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Governing Body meets regularly throughout the year to consider the progress being made by the College, the effectiveness of its policies and plans which support the strategic direction of the College
- The Governing Body receives relevant reports from its committees concerning its policies, the risks and any specific issues in connection with the system of internal control
- A College risk register is maintained and reviewed regularly
- A system of risk ranking is used to monitor risks and to highlight the principal risks
- Risks are assigned responsibility to College Officers and Heads of Departments of the College
- The Finance and General Purposes Committee undertakes a detailed annual review of the risk register and briefs the Governing Body accordingly.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work and advice of College Officers and Heads of Department, who have operational responsibility for the maintenance and development of the internal control system.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the external auditors, through their comments in the management letter and other reports.

MAGDALENE COLLEGE, CAMBRIDGE
RESPONSIBILITIES OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2023

The Governing Body 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's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body 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 Governing Body 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 Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are 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 Governing Body 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.

Opinion

We have audited the financial statements of Magdalene College, Cambridge (the 'College') and subsidiary ('the Group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the 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's and College's affairs as at 30 June 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and

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 ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governing Body is responsible for the other information. The other information comprises the information included in the Report of the Governing Body 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body.

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 Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 19, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's 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, College or subsidiary 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 Group 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 Group's legal advisors.

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

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/auditorsresponsibilties. This description forms part of our auditors' report.

Use of our report

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

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors
Salisbury House, Station Road, Cambridge CB1 2LA

13 October 2023

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

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 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

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

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

Going concern

The financial statements have been prepared on a going concern basis. The College has also set a detailed budget plan for the 2023-24 financial year and outline budgets up to financial year end 2026. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans, demonstrate that the College has sufficient resources to meet liabilities as they fall due for a period of no less than 12 months from the date these financial statements are approved. The Governing Body, as the trustee body of the College, considers preparation of these financial statements using a going concern basis to be appropriate.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain operational land and buildings at deemed cost.

Basis of consolidation

The Consolidated Financial Statements include the College and its subsidiary undertaking, Cloverleaf Limited. Intra-group transactions are eliminated upon consolidation. The activities of student societies have not been consolidated. A separate balance sheet and related notes for the College only are not included because Cloverleaf Limited is a design and build company and therefore the balance sheet of the College would not be materially different to the one included in these accounts. Some details of the subsidiary undertaking are given in note 26.

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. The costs of any fees waived or written off by the College are included as expenditure.

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

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

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

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

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

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

Total return

The College invests its securities investment portfolio and allocates a proportion of the related earnings and capital appreciation to the income and expenditure account in accordance with the total return investment concept. The allocation to income is determined by a spending rule, currently 3.25%, which is designed to stabilise annual spending levels from the endowment. The income transferred to the consolidated Statement of Comprehensive Income and Expenditure on this total return basis is calculated by a formula that uses the weighted average value of the College's securities portfolio over a three-year period up to the commencement of the current accounting year. Details are given in note 3.

Investment income and change in value of investment assets

Investment income and any 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.

Cambridge Bursary Scheme

In 2022-23, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, 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 £123k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1):	£66k
Expenditure:	£189k

Pension schemes

The College participates in the Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly

attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

Because of the mutual nature of the Church of England Funded Pension Scheme, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period and expenses accrued in that year, plus any impact of deficit contributions. Since the College has entered into a 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 the resulting expense in the Statement of Comprehensive Income and Expenditure in accordance with Section 28 of FRS 102.

The College offers a defined contribution pension scheme for non-academic staff. For staff employed before 1 April 2014 this was the Cambridge Colleges Group Pension Scheme. For staff employed after that date it is the NOW: Pensions Scheme. The assets of both those defined contribution schemes are held separately from those of the College. The annual contributions payable are charged to the Statement of Comprehensive Income and Expenditure.

Tangible fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold operational buildings are depreciated on a straight line basis over their expected useful lives as follows:

the structure between 41 and 100 years
the internal fit-out between 15 and 35 years
the mechanical and electrical services between 10 and 35 years

Buildings under the course of construction are valued at cost, based on the value of architects' certificates and any other direct costs incurred. They are not depreciated until they are brought into use. The cost of additions to operational property shown in the balance sheet includes the cost of land.

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.

Maintenance of premises
The College has a five year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is shown in the consolidated Statement of Comprehensive Income and Expenditure as it is incurred. The cost of major refurbishment and maintenance which restores or improves value is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs, these being disclosed within unrestricted reserves.

Equipment
Equipment costing less than £5,000 per individual item or group of related items is written off in the year of purchase. All other equipment is capitalised and depreciated over their expected useful life as follows:

Furniture and equipment	10 years
Energy regeneration	20 years
Library books	15 years
Information technology	3 or 5 years
Catering & conference equipment	5, 10 or 20 years

Where equipment is acquired with the aid of specific bequests or donations it is capitalised and depreciated. The related benefactions are credited to income in the year it arises.

Heritage assets
The College holds and conserves two book collections which are of historical and cultural importance. The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. During the year ended 30 June 2023, the College was gifted two items of cultural importance: a bust and a 17th century spinet. These assets have been capitalised: the bust at actual cost and the spinet the insurance value has been taken as the deemed cost. 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 fair value on 30 June each year, except for investments in the subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.

Direct property
Investment properties are included at fair valuation and the aggregate surplus or deficit is transferred to Unrestricted Reserves. A formal valuation is performed at least every 5 years. For commercial property holdings, a formal valuation is undertaken every 3 years, and for the intervening years regional yields published by third party property specialists, such as Knight Frank or Savills, for differing property uses is being adopted. A formal valuation for agricultural land was carried out by FPD Savills as at 30 June 2023.

Stocks

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

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.

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party

to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

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

Financial assets

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

Foreign currency translation

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

Taxation

The College is a registered charity (number 1138143) 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 to 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 the 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 as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

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 estimates and judgements

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

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

Income recognition
Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. 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 8a.

Investment property
Properties are revalued to their fair value at the reporting date by using regional yields information published by third party property specialists. Any valuation is based on the assumptions and judgements which are influenced by a variety of factors including market and other economic changes.

Pensions

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Governing Body is satisfied that the scheme provided by USS and the Church of England Funded Pension Scheme meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
YEAR ENDED 30 JUNE 2023

		2023				2022			
	Note	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	2,990	66	-	3,056	3,156	98	-	3,254
Accommodation, catering and conferences	2	3,988	-	-	3,988	3,165	-	-	3,165
Investment income	3	2,771	71	1,372	4,214	2,484	10	1,232	3,726
Endowment return transferred	3	550	941	(1,491)	-	390	817	(1,207)	-
Other income		155	27	-	182	113	25	-	138
Total income before donations and endowments		10,454	1,105	(119)	11,440	9,308	950	25	10,283
Donations		364	1,381	-	1,745	419	1,572	-	1,991
New endowments		-	-	1,802	1,802	-	-	292	292
Other donations for assets		81	99	-	180	69	264	-	333
Total income		10,899	2,585	1,683	15,167	9,796	2,786	317	12,899
Expenditure									
Education	4	4,374	1,481	-	5,855	4,003	1,046	-	5,049
Accommodation, catering and conferences	5	6,135	138	-	6,273	4,805	8	-	4,813
Investment management costs	3	74	-	214	288	66	-	223	289
Other expenditure		962	95	-	1,057	1,428	95	-	1,523
Contribution under Statute G, II		19	-	-	19	16	-	-	16
Total expenditure	6	11,564	1,714	214	13,492	10,318	1,149	223	11,690
Surplus/(deficit) before other gains / losses		(665)	871	1,469	1,675	(522)	1,637	94	1,209
Gain/(loss) on investments		202	212	2,770	3,184	(113)	(173)	289	3
Surplus/(deficit) for the year		(463)	1,083	4,239	4,859	(635)	1,464	383	1,212
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	15	(133)	-	-	(133)	510	-	-	510
Total comprehensive income for the year		(596)	1,083	4,239	4,726	125	1,464	383	1,722

The notes on pages 33 to 51 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 30 JUNE 2023

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2022	117,689	8,074	71,352	197,115
Surplus/(Deficit) from income and expenditure statement	(463)	1,083	4,239	4,859
Other comprehensive income	(133)	-	-	(133)
Release of capital funds spent in year	100	(100)	-	-
Transfers	1,865	(697)	(1,168)	-
Balance at 30 June 2023	119,058	8,360	74,423	201,841

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2021	117,574	6,850	70,969	195,393
Surplus/(Deficit) from income and expenditure statement	(635)	1,464	383	1,212
Other comprehensive income	510	-	-	510
Release of capital funds spent in year	260	(260)	-	-
Transfers	(20)	20	-	-
Balance at 30 June 2022	117,689	8,074	71,352	197,115

The notes on pages 33 to 51 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED BALANCE SHEET
YEAR ENDED 30 JUNE 2023

	Note	2023 £000	2022 £000
Non-current assets			
Fixed assets	8a	105,100	106,650
Heritage Assets	8b	264	178
Investments	9	101,345	93,931
		206,709	200,759
Current assets			
Stocks	10	191	189
Trade and other receivables	11	2,762	1,551
Cash and cash equivalents	12	3,994	6,348
		6,947	8,088
Creditors: amounts falling due within one year	13	(3,792)	(3,335)
Net current assets		3,155	4,753
Creditors: amounts falling due after more than one year	14	(6,012)	(6,428)
Provisions			
Pension provisions	15	(2,011)	(1,969)
Total net assets		201,841	197,115
Restricted reserves			
Income and expenditure reserve - endowment reserve	16	74,423	71,352
Income and expenditure reserve - restricted reserve	17	8,360	8,074
		82,783	79,426
Unrestricted reserves			
Income and expenditure reserve - unrestricted		119,058	117,689
Total reserves		201,841	197,115

These financial statements were approved by the Governing Body on 12 October 2023 and are signed on their behalf by:

C J Greenwood
Master

S J Morris
Senior Bursar

The notes on pages 33 to 51 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2023

	Note	2023 £000	2022 £000
Net cash inflow/(outflow) from operating activities	18	(1,573)	488
Cash flows from investing activities	19	(121)	2,239
Cash flows from financing activities	20	(660)	(674)
Increase/(decrease) in cash and cash equivalents in the year		(2,354)	2,053
Cash and cash equivalents at beginning of the year		6,348	4,295
Cash and cash equivalents at end of the year	12	3,994	6,348

The notes on pages 33 to 51 form part of these accounts

1. Academic fees and charges

	2023 £000	2022 £000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,324	1,393
Fee income received at the Unregulated Undergraduate rate	865	868
Fee income received at the Postgraduate rate	706	755
Research income	96	140
Cambridge Bursary scheme	65	98
Total	3,056	3,254

2. Income from accommodation, catering and conferences

		2023 £000	2022 £000
Accommodation	College members	2,408	2,309
	Conferences	334	95
Catering	College members	933	681
	Conferences	313	80
Total		3,988	3,165

3. Endowment return and investment income

	2023 £000	2022 £000
3a. Analysis		
Total return contribution (see note 3b)	1,491	1,207
Income from:		
Freehold land and buildings	2,737	2,457
Unit Trust Scheme	-	-
Cash Deposits	105	38
Total	4,333	3,702

3b. Summary of total return

	2023 £000	2022 £000
Income from:		
Quoted and other securities and cash	1,372	1,232
Gains on endowment assets:		
Quoted and other securities and cash	3,656	(2,967)
Investment management costs (see note 3c)	(214)	(223)
Total return for year	4,814	(1,958)
Total return transferred to income and expenditure reserve (see note 3a)	(1,491)	(1,207)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	3,323	(3,165)
Unapplied total return at beginning of year	19,461	22,626
Unapplied total return at end of year	22,784	19,461

3c. Investment management costs

	2023 £000	2022 £000
Quoted security – equities	-	-
Pooled investments	214	223
Fixed interest securities	-	-
Investment management costs included within note 3b	214	223
Freehold Land and Buildings	74	66
Total	288	289

4. Education expenditure

	2023 £000	2022 £000
Teaching	2,525	2,167
Tutorial	804	651
Admissions	665	551
Research	731	618
Scholarships and awards	856	811
Other educational facilities	274	251
Total (note 6)	5,855	5,049

5. Accommodation, catering and conferences expenditure

		2023 £000	2022 £000
Accommodation	College members	3,688	3,259
	Conferences	625	319
Catering	College members	1,335	905
	Conferences	625	330
Total (note 6)		6,273	4,813

6a. Analysis of 2022/23 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,562	2,764	529	5,855
Accommodation, catering and conferences (note 5)	2,431	2,752	1,090	6,273
Investment management costs (note 3c)	-	288	-	288
Other expenditure	251	779	27	1,057
Contribution under Statute G, II	-	19	-	19
	5,244	6,602	1,646	13,492

Expenditure includes fundraising costs of £217k. This expenditure does not include the costs of alumni relations.

6b. Analysis of 2021/22 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,202	2,319	528	5,049
Accommodation, catering and conferences (note 5)	1,821	1,905	1,087	4,813
Investment management costs (note 3c)	-	289	-	289
Other expenditure	241	1,255	27	1,523
Contribution under Statute G, II	-	16	-	16
	4,264	5,784	1,642	11,690

Expenditure includes fundraising costs of £209k. This expenditure does not include the costs of alumni relations.

6c. Auditors remuneration

	2023 £000	2022 £000
Other operating expenses include:		
Audit fees payable to College's external auditors	31	25

7. Staff

	Academic 2023 £000	Non-academics 2023 £000	Total 2023 £000	Total 2022 £000
Staff Costs				
Salaries	971	3,520	4,491	3,629
National Insurance	84	274	358	308
Pension costs (note 24)	137	258	395	327
	1,192	4,052	5,244	4,264

Average staff numbers (full-time equivalents)	Average staff number 2023		Average staff number 2022	
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	65		57	
Non-academics	3	101	3	88
	68	101	60	88

At the Balance Sheet date there were 43 members of the Governing Body. During the year the number receiving remuneration was 40 who are included in the 68 remunerated Fellows shown above.

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

	2023 Number	2022 Number
£100,001 - £110,000	-	1
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-
£140,001 - £150,000	-	1
£150,001 - £160,000	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

	Total 2023 £000	Total 2022 £000
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are therefore the trustees. 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.	972	880

Aggregated remuneration

The Trustees received no remuneration in their capacity as Trustees of the Charity, these payments relate to their capacity as College Officers.

8a. Fixed assets

	Freehold Land £000	Buildings £000	Furniture & Equipment £000	Energy Regeneration £000	Library Books £000	Information Technology £000	Motor Vehicles £000	Total £000
Original cost/valuation								
At beginning of year	40,020	76,187	1,336	75	180	340	27	118,165
Additions at cost		-	38	-	20	46	-	104
Disposals	-	-	(8)	-	(5)	(206)	-	(219)
Reclassification		-	-	-	-	-	-	-
At end of year	40,020	76,187	1,366	75	195	180	27	118,050
Depreciation								
At beginning of year	-	10,127	965	24	78	317	4	11,515
Charge for the year	-	1,542	66	4	13	17	4	1,646
Eliminated on disposals	-	-	(7)	-	(5)	(199)	-	(211)
At end of year	-	11,669	1,024	28	86	135	8	12,950
Net book value								
At end of year	40,020	64,518	342	47	109	45	19	105,100
At beginning of year	40,020	66,060	371	51	102	23	23	106,650

The insured value of freehold land and buildings at 30 June 2023 was £161,086k (2022: £154,480k).

8b. Fixed assets (continued)

Heritage assets

The College holds and conserves two book collections which are of historical and cultural importance. These comprise the Pepys Library and the Old Library, which provide a valuable research and educational resource. In respect of these collections, the College's practice is to preserve, conserve and manage the items in its care; to augment the collections where appropriate and within the limited resources available; to enable and encourage access to and use of the collections for teaching and research; and to enable access to and engagement with the Pepys library collection of books by members of the public.

The College holds and conserves a collection of artwork that is of cultural importance. In respect of this collection, the College's practice is to preserve, conserve and manage the items in its care; to augment the collection where appropriate and within the limited resources available; to enable and encourage access to and use of the collection for teaching and research; and to enable access to and engagement with the College's collections by members of the public.

The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. During the year ended 30 June 2023, the College was gifted two items of cultural importance: a bust and a 17th century spinet. These assets have been capitalised: the bust at actual cost and the spinet the insurance value has been taken as the deemed cost. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

	2023 Total £000	2022 Total £000
Balance at beginning of year	178	109
Acquisitions gifted	82	69
Acquisitions purchased	4	-
Total cost of acquisitions	86	69
At end of year	264	178

9. Investments

	2023 Total £000	2022 Total £000
Balance at beginning of year	93,931	92,474
Additions	15,370	2,950
Disposals proceeds	(11,335)	(1,307)
Appreciation on revaluation	3,184	3
Increase in cash balances held at fund managers	195	(189)
Balance at end of year	101,345	93,931
Represented by:		
Property	43,422	43,894
Unit Trust Scheme	6,763	4,698
Other investments	50,160	45,339
Cash held for reinvestment	1,000	-
	101,345	93,931

Investments held by the College also include an additional £1 (2022: £1) investment in the subsidiary company at cost. (see note 26)

10. Stocks

	2023 £000	2022 £000
Goods for resale:		
Catering	24	29
Fellows Wine	157	150
Merchandise	10	10
	191	189

11. Trade and other receivables

	2023 £000	2022 £000
Members of the College	144	114
Rents	797	711
Conferences	127	20
Other receivables	1,694	706
	2,762	1,551

12. Cash and cash equivalents

	2023 £000	2022 £000
Bank deposits	2,722	3,407
Current accounts	1,272	2,941
Cash in hand		
	3,994	6,348

13. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Bank loans	470	470
Due to tradesmen and others	1,299	777
University fees	37	117
Advance deposits – students	463	566
Caution money	209	206
Contribution to Colleges Fund	19	16
Other creditors	166	145
Accruals and deferred income	1,062	983
Deferred research income	67	55
	3,792	3,335

14. Creditors: amounts falling due after more than one year

	2023 £000	2022 £000
Bank loans	5,405	5,875
Fee deposits	607	553
	6,012	6,428

15. Pension provisions

	CEFPS £000	CCFPS £000	USS £000	2023 £000	2022 £000
Balance at beginning of year	2	833	1,134	1,969	1,878
Movement in the year					
Current service cost including life assurance	-	16	82	98	913
Contributions	(1)	31	(288)	(258)	(341)
Other finance cost	-	32	38	70	29
Actuarial (gain) recognised in Statement of Comprehensive Income and Expenditure	-	133	-	133	(510)
Remaining change in balance sheet liability recognised in SoCIE	(1)	-	-	(1)	-
Balance at end of year	-	1,045	966	2,011	1,969

16. Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2023 Total £000	2022 Total £000
Balance at beginning of year				
Capital	29,268	42,084	71,352	70,969
New donations and endowments	1,802	-	1,802	292
Fund transfers	(1,168)	-	(1,168)	-
Increase/(decrease) in market value of investments	1,884	553	2,437	91
Balance at end of year	31,786	42,637	74,423	71,352
Analysis by type of purpose				
Fellowships	11,345	-	11,345	10,494
Student Hardship and Bursaries	7,314	-	7,314	5,694
Postgraduate Scholarships	6,198	-	6,198	5,659
Undergraduate Scholarships and Prizes	1,553	-	1,553	1,447
Travel Awards	343	-	343	321
Music, Chapel and Choir	425	-	425	398
Student Sports and Culture	989	-	989	927
Library Funds	2,624	-	2,624	3,392
Other Funds	995	-	995	937
Corporate Capital	-	42,637	42,637	42,083
	31,786	42,637	74,423	71,352
Analysis by asset				
Property	-	43,289	43,289	43,761
Less Bank loan	-	(5,875)	(5,875)	(6,345)
Securities	31,786	5,188	36,974	33,902
Cash	-	35	35	34
	31,786	42,637	74,423	71,352

Fund transfers during the year from restricted permanent endowments of £1,168k comprise £1m unrestricted legacy received in 2017/18 and accumulated gains on the legacy which had been treated as permanent endowment for the New College Library. In accordance with the terms of the Will, the unrestricted legacy has been transferred to unrestricted reserves.

17. Restricted Reserves

Reserves with restrictions are as follows:

Consolidated	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2023 Total £000	2022 Total £000
Balance at beginning of year					
Capital	13	-	5,026	5,039	4,224
Accumulated income	-	3,035	-	3,035	2,626
	13	3,035	5,026	8,074	6,850
New donations	86	-	1,394	1,480	1,836
Fund transfer	-	(1)	1	-	19
Endowment return transferred	-	846	95	941	817
Other income	-	58	106	164	132
Increase/(decrease) in market value of investments	-	-	212	212	(173)
Transfers	-	(102)	(595)	(697)	1
Release of capital funds spent in year	(100)	-	-	(100)	(260)
Expenditure	-	(588)	(1,126)	(1,714)	(1,148)
Balance at end of year	(1)	3,248	5,113	8,360	8,074
Capital	(1)	-	5,113	5,112	5,039
Accumulated income	-	3,248	-	3,248	3,035
	(1)	3,248	5,113	8,360	8,074
Analysis of other restricted funds/donations by type of purpose					
Fellowships	-	1,083	2,271	3,354	3,366
Student Hardship and Bursaries	-	1,350	624	1,974	1,512
Postgraduate Scholarships	-	389	311	700	787
Undergraduate Scholarships and Prizes	-	184	797	981	1,045
Travel Awards	-	59	53	112	135
Music, Chapel and Choir	-	59	-	59	51
Student Sports and Culture	-	52	2	54	43
Library Funds	-	72	6	78	154
New Library Funds	(1)	-	781	780	14
Other Funds	-	-	268	268	967
	(1)	3,248	5,113	8,360	8,074

Fund transfers during the year from permanent and other restricted income and restricted expendable endowment of £697k comprised £433k unrestricted legacy received in 2019/20 initially being treated as restricted, but subsequently, in accordance with the Will, transferred to unrestricted reserves. A further transfer of £162k being in respect of correction of unrestricted funds treated as restricted in 2021/22. £102k income from the unrestricted legacy at note 16 was also transferred in the year to unrestricted reserves.

18. Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2023 £000	2022 £000
Surplus for the year	4,859	1,212
Adjustment for non-cash items		
Depreciation	1,654	1,645
Investment income	-	-
Decrease in stocks	(2)	6
Decrease in trade and other receivables	(1,211)	239
Increase in creditors	509	379
Movement in pension deficit	(92)	601
(Gain)/loss on investment	(3,184)	(3)
Donated Heritage Assets	(82)	(69)
Adjustment for investing or financing activities		
Investment income	(4,214)	(3,726)
Interest paid	190	204
Net cash inflow from operating activities	(1,573)	488

19. Cash flows from investing activities

	2023 £000	2022 £000
Investment income	4,214	3,726
Non-current investment disposal	11,335	1,307
Endowment funds invested	(15,563)	(2,762)
Payments made to acquire non-current assets	(107)	(32)
Total cash flows from investing activities	(121)	2,239

20. Cash flows from financing activities

	2023 £000	2022 £000
Interest paid	(190)	(204)
Repayments of amounts borrowed	(470)	(470)
Total cash flows from financing activities	(660)	(674)

21. Consolidated reconciliation and analysis of net debt

	At July 2022	Cash Flows	Acquisitions & Disposal of subsidiaries	New finance leases	Other non-cash changes	Changes in market value and exchange rates	At 30 June 2023
	£000	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	6,348	(2,354)	-	-	-	-	3,994
Borrowings: amounts falling due within one year							
Unsecured loans	(470)		-	-	-	-	(470)
Bank overdraft	-	-	-	-	-	-	-
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(470)	-	-	-	-	-	(470)
Borrowings: Amounts falling due after more than one year							
Unsecured loans	(5,875)	470	-	-	-	-	(5,405)
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(5,875)	470	-	-	-	-	(5,405)
	3	(1,884)	-	-	-	-	(1,881)

22. Financial Instruments

	2023 £000	2022 £000
Financial assets		
Financial assets that are equity instruments measure at cost less impairment		
Other investments	56,921	50,037
Financial assets that are debt instruments measure at amortised cost		
Cash and cash equivalents	3,994	6,348
Other debtors	2,697	1,423
Financial liabilities		
Financial liabilities measure at amortised cost		
Loans	5,875	6,345
Trade creditors	1,299	777
Other Creditors	1,500	1,604

23. Capital commitments

	2023 £000	2022 £000
Capital commitments at 30 June are as follows:		
Authorised and contracted	-	-

24. Pension Schemes

The College participates in three defined benefit schemes and two defined contribution schemes. The defined benefit schemes are the Universities Superannuation Scheme (USS), the Cambridge Colleges' Federated Pension Scheme (CCFPS) and the Church of England Funded Pensions Scheme (CEFPS). The defined contribution schemes are the NOW: Pensions scheme and the Cambridge Colleges Group Pension Scheme. The details of the schemes are as follows:

Universities Superannuation Scheme

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumptions	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 assumptions used relate 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	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

24. Pension Schemes continued

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 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%
Pension increases (CPI)	2.82%	4.45%

Cambridge Colleges' Federated Pension Scheme

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

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	3.35	3.25
Retail Prices Index (RPI) assumption	3.40	3.45
Consumer Prices Index (CPI) assumption	2.80	2.75
Pension Increases in payment (CPI Max 2.5% p.a.)	2.05	2.05

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 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 age 65 now has a life expectancy of 21.4 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 23.9 years (previously 24.3 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 22.6 years (previously 23.2 years).
- Female age 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 in the following indicated cases:

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

24. Pension Schemes continued

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.

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
	£	£
Present value of plan liabilities	(5,587,216)	(6,411,539)
Market value of plan assets	4,541,875	5,578,193
Net defined benefit asset/(liability)	**(1,045,341)**	**(833,346)**

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

	2023	2022
	£	£
Current service cost	-	-
Administrative expenses	15,918	15,918
Interest on net defined benefit (asset)/liability	31,732	24,593
Loss/(gain) on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	**47,650**	**40,514**

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
	£	£
Present value of plan liabilities at beginning of period	6,411,539	8,101,861
Current service cost	-	-
Employee contributions	-	-
Benefits paid	(267,979)	(275,258)
Interest on plan liabilities	238,594	143,367
Actuarial losses/(gains)	(794,938)	(1,558,431)
Loss/(gain) on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	**5,587,216**	**6,411,539**

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
	£	£
Market value of plan assets at beginning of period	5,578,193	6,736,394
Contributions paid by the College	(30,700)*	62,536
Employee Contributions	-	-
Benefits paid	(267,979)	(275,258)
Administrative expenses paid	(19,399)	(17,942)
Interest on plan assets	206,862	118,771
Return on assets, less interest included in Profit & Loss	(925,102)	(1046,308)
Market value of plan assets at end of period	**4,541,875**	**5,578,193**

* an overpaid deficit reduction contribution of £43,000 was refunded to the College

Actual return on plan assets	(718,240)	(927,537)

24. Pension Schemes continued

The major categories of plan assets for the year ending 30 June 2023 (with comparative figures at 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
	£	£
Return on assets, less interest included in Profit & Loss	(925,102)	(1,046,308)
Expected less actual plan expenses	(3,481)	(2,024)
Experience gains and losses arising on plan liabilities	(353,138)	(597,637)
Changes in assumptions underlying the present value of plan liabilities	1,148,076	2,156,068
Remeasurement of net defined benefit liability recognised in OCI	**(133,645)**	**510,099**

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
	£	£
Net defined asset/(liability) at beginning of year	(833,346)	(1,365,467)
Recognised in Profit and Loss	(47,650)	(40,514)
Contributions paid by the College	(30,700)*	62,536
Remeasurement of net defined benefit liability recognised in OCI	(133,645)	510,099
Net defined benefit asset/(liability) at end of year	**(1,045,341)**	**(833,346)**

* an overpaid deficit reduction contribution of £43,000 was refunded to the College

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 actuarial valuation are different to those adopted under FRS102.

The last such actuarial 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 £48,974 per annum payable for the period to 30 June 2021
- No contributions thereafter.

The College continued paying contributions to 30 June 2022, the over-payment was refunded in July 2022.

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

24. Pension Schemes continued

Other Pension Schemes

The College participates in three other pension schemes:

NOW: Pensions

The College appointed NOW: Pensions to provide its workplace pension scheme for its non-academic staff from 1 April 2014. NOW: Pensions provides a defined contribution scheme which invests employer and employee contributions to provide a member specific fund that will be converted into pension on the member's retirement. There were contributions of £25k (2022: £17k) outstanding as at the year end due to NOW: Pensions.

Cambridge Colleges Group Personal Pension Scheme

The College offered a defined contribution pension scheme to its non-academic staff until April 2014. The pension cost for this scheme represents contributions payable by the College, plus the set-up costs. There were contributions of £2k (2022: £2k) outstanding as at the year end due to the Cambridge Colleges Group Personal Pension Scheme.

Church of England Funded Pensions Scheme

Magdalene College (Cambridge) 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 Board, 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 FRS 102. 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.

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

- An average discount rate of 2.7% p.a.
- Increase in pensionable stipends of 2.8% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this)
- 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.

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are 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.

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

% of pensionable stipends	Jan-18 to Dec-20	Jan-21 to Dec-22
Deficit repair contributions	11.9%	7.1%

24. Pension Schemes continued

Section 28.11A of FRS 102 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
Balance sheet liability at 1 January	2,000	4,000
Deficit contribution paid	(1,000)	(2,000)
Remaining change to the balance sheet liability* (recognised in SOCIE)	(1,000)	-
Balance sheet liability at 31 December	-	2,000

* 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.

	Dec-22	Dec-21	Dec-20
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	-n/a	-1.5% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, Magdalene College (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

The total pension cost for the year to 30 June (see note 7) was as follows:

	2023	2022
	£000	£000
USS: Contributions	206	242
CCFPS: Charged/(Credited) to SOCIE	(47)	(47)
Other Schemes	236	131
	395	326

25. Related Party Transactions

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

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

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

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

25. Related Party Transactions continued

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

From	To	2023	2022
£1	£10,000	24	24
£10,001	£20,000	7	6
£20,001	£30,000	2	5
£30,001	£40,000	1	-
£40,001	£50,000	1	1
£50,001	£60,000	1	-
£60,001	£70,000	1	1
£70,001	£80,000	-	1
£80,001	£90,000	1	1
£90,001	£100,000	1	-
£100,001	£110,000	-	1
£110,001	£120,000	1	-
	Total	40	40

The total Trustee salaries were £758k for the year (2022: £692k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £214k for the year (2022: £188k).

The College has one trading subsidiary, Cloverleaf Limited, which is consolidated into these accounts. Cloverleaf Limited is 100% owned by the College and is 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 grouped companies that are related parties.

26. Principal subsidiary and associated undertakings and other significant investments

	Cost £	Class of shares	Holding
Cloverleaf Limited	1	Ordinary	100%

The principal activity of the above company is the development of the grounds and buildings of Magdalene College, Cambridge. This company is included in these consolidated financial statements.

THE COLLEGE OF ST MARY MAGDALENE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137542

Accounts

MAGDALENE COLLEGE
CAMBRIDGE

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2022

Registered Charity Number 1137542

MAGDALENE COLLEGE, CAMBRIDGE
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

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FELLOWSHIP

Governing Body (Trustees of the charity)

Sir Christopher Greenwood, GBE, CMG, QC, MA, LLM
Professor M A Carpenter, ScD (until 30 September 2021)
J R Patterson, MA, PhD
M E J Hughes, MA, PhD
Professor T Spencer, MA, PhD (until 30 September 2022)
Professor B J Burchell, MA and PhD (Warwick)
S Martin, MA, PhD
K Patel, MA, MSc and PhD (Essex) (until 30 September 2021)
Professor T N Harper, MA, PhD
Professor N G Jones, MA, LLM, PhD
Professor H Babinsky, MA and PhD (Cranfield)
Professor P Dupree, MA, PhD
Professor S K F Stoddart, MA, PhD
Professor T A Coombs, MA, PhD
H Azérad, MA, PhD
A L Hadida, MA, PhD
Professor C S Watkins, MA, MPhil, PhD
Professor A L Du Bois-Pedain, MJur (Oxon)
S C Mentchen, MA
S J Morris, BA (Newcastle), FCA, IPFA
R M Burnstein, MB, BS, PhD
G P Pearce, MA, PhD
Professor C Brassett, MB, BChir, MChir, FRCS
M J Waithe, MA (Leeds), PhD
C D Lloyd, MA (Kent)
R L Roebuck, BA, MEng, PhD
Professor A K Bennison, BA, PhD (London)
Professor L C Skinner, BSc, MPhil, PhD
Professor E So, MEng, PhD, CEng
W T Khaled, MA, PhD
A Ercole, BA, MA, PhD, PG Dipl, MB BChir, FRCA
T G Euser, PhD, MSc (Twente)
J M Munns, MA (Durham), MPhil (Bristol), PhD, FRSA
S A Bacallado, PhD
Professor S Dubow, BA, DPhil (Oxon)
Professor S J Eglen, DPhil
N R Carroll, MA, MB, BChir
J J Orr, PhD
The Revd S Atkins, MA
Professor P J Lane, MA, PhD
M F Ahmed, MPhil, MSc, PhD (until 31 August 2021)
A Meghji, MA, MPhil, PhD
M C Skott, PhD (until 30 September 2022)
A Mills, DipABRSM, MA, BCL (Oxon), Barrister at Law (Gray's Inn) (from 1 September 2021)
E Gallo, AB (Harvard), MPhil, DPhil (Oxon) (from 1 October 2021)
S Ravenscroft, BTh (Wales), MA (Nottingham), PhD (from 1 October 2021)
J Patterson, MA (London), PhD (Manchester) (from 1 September 2022)
C Whiteley BA (York), MPhil (London), PhD (LSE) (from 1 September 2022)

MAGDALENE COLLEGE, CAMBRIDGE
FELLOWSHIP *(continued)*
YEAR ENDED 30 JUNE 2022

Emeritus Fellows

Professor P J Grubb, ScD
R Hyam, LittD
P E Reynolds, ScD
His Honour C F Kolbert, MA, PhD
Professor N Boyle, LittD, FBA
Professor R J S Spence, MA, PhD
Professor E Duffy, DD, FBA
Professor N Rushton, MD
Professor H A Chase, ScD, FREng
Professor M A Carpenter, ScD (from 1 October 2021)
K Patel, MA, MSc and PhD (Essex) (from 1 October 2021)

Research Fellows

J C Jarrett, PhD (until 30 September 2021)
S Caputo, BA (Cardiff), MSc (Edinburgh) (until 30 September 2022)
Y Glazer-Eytan, PhD
A Baez-Ortega, PhD
D Dunkelmann, BSc, MSc (Zurich), PhD (from 1 October 2021)
P Asimov-Hofmann, AB (Brown), MSt (Oxon), PhD (from 1 February 2022)

Senior Research Fellows

P M Steele, BA, MPhil, PhD
C N Spottiswoode, BSc, PhD (until 30 September 2021)
Professor J R Raven, MA, PhD (until 30 September 2021)
A P Coutts, BSc, MSc, PhD
A Neumann, MA, PhD
S L Caddy, PhD (until 30 September 2022)
Professor F Aigbirhio, BSc, MA, DPhil, CChem, FRSC
Professor D A S Fergusson OBE, MA (Glasgow), BD (Edinburgh), DPhil (Oxon), DD, FBA, FRSE (from 1 June 2022)
T Licence MA, MPhil, PhD, FHEA, FRHistS, FSA (from 1 September 2022)

Life Fellows

M D Billinge, MA, PhD
Professor W R Cornish, Hon QC, LLD, FBA (deceased 8 January 2022)
A R Thompson, MBE, MA, MPhil
Professor T H Clutton-Brock, ScD, FRS
S Halper, PhD
Professor E H Cooper, LittD, FBA
Professor T A J Cockerill, MA, MPhil (Leeds), PhD (Manchester)
Professor E Rothschild, CMG, MA
Professor J R Raven MA, PhD, LittD, FRA (from 1 October 2021)

Bye-Fellows

O F R Haardt, PhD (until 30 September 2022)
Y P G Poon, MSc (until 30 September 2021)
E Karayiannides, MPhil (until 30 September 2021)
C Woodall, MA (until 30 September 2021)
F England, MEng (London), MRes (from 1 October 2021 until 30 September 2022)
C Vassiliu, BA (Athens), MPhil (from 1 October 2021 until 30 September 2022)
V Vitaliev, MA (Kharkiv), PhD (Moscow) (from 1 October 2021)
M Hrebeniak, BA (London), PhD (London), MA (honorary) (from 1 January 2022)

Visiting Fellows

Professor C Casey MA, PhD (Dublin) (from 1 October 2021 until 30 September 2022)
Professor C Brokaw, MA, PhD (Harvard) (from 4 January 2022 until 24 March 2022)
Colonel H de Bretton-Gordon OBE, BSc (Reading) (from 17 April 2022 until 24 June 2022)
Professor B Brents, BJ, MA, PhD (Missouri) (from 17 April 2022 until 24 June 2022)

Honorary Fellows

HRH the Duke of Gloucester, KG, GCVO, MA
Professor Sir John Boardman, MA, FBA, Hon RA
Professor Sir David Hopwood, MA, PhD, DSc (Glasgow), FRS
A B Gascoigne, MA, FRSL (deceased 8 February 2022)
Professor H H Vendler, AB, PhD (Harvard), Hon Litt D
J C F-Simpson, CBE, MA, FRGS
Sir Colin Corness, MA
Professor Sir Richard Jolly, KCMG, MA, PhD (Yale)
Professor Sir John Gurdon, PhD, Hon ScD, Hon DSc (Oxon), FRS
D J H Murphy, MA
Professor D C Clary, ScD, FRS
The Rt Hon Lord Malloch Brown, KCMG, MA
R W H Cripps AM
The Rt Hon Lord (Igor) Judge, Kt, PC, MA, Hon LLD
The Rt Hon Sir Andrew Morritt, PC, CVO, MA
R H Vignoles, BA, BMus, ARCM, Hon RAM, Hon FRCM
The Hon Yan Lung Wong, SC, MA, JP
Khoon Hong Kuok, BA (Singapore)
D D Robinson, CBE, MA and MA (Yale), FSA, DL
Professor S Springman, CBE, PhD, FREng
C I von Christierson, MA
HRH Sultan Nazrin Shah, BA (Oxon), PhD (Harvard)
L L Cardozo Kindersley, MBE
Dame C A Duffy, DBE, BA (Liverpool)
A Tennent, BA, MIB
T Cripps, BA, MBA
The Rt Revd & Rt Hon the Lord Williams of Oystermouth, PC, DD, Hon DCL (Oxford), FBA
Professor the Lady Williams of Oystermouth, MA
The Rt Hon Brenda Marjorie Hale, Baroness Hale of Richmond, DBE, PC, FBA
M C Newell, BA
The Very Revd Dr D M Hoyle, MBE, MA, PhD
C B M Derham, MA
M Moorman, MPhil (from 1 October 2021)
A Schultz, MA (from 1 October 2021)

Fellow-Commoners

R L Skelton, MA
A I J Fitzsimons, Diplômée de l'ISIT (Paris)
J J Hellyer Jones, MA, FRCO
Sir Bradley Fried, MBA (Pennsylvania) (until 30 March 2022)
N Raymont, BSc (Econ), FCA (until 30 June 2022)
P J Marsh, MPhil, Honorary PhD (University of Central England)
R V Chartener, AB (Princeton), MPhil, MBA (Harvard)
C H L Foord, MAAT, Assoc CIPD
A G Ritchie, QC, MA (until 8 November 2022)
C V S Brasted-Pike, MA, MSci, PhD
G H Walker, MA, LRAM, PGDip (RAM) (until 31 August 2022)
H Critchlow, PhD
S Ravenscroft, BTh (Wales), MA (Nottingham), PhD (until 30 September 2021)
L Masuda-Nakagawa, PhD (Tokyo)
F Schuery, MA
A Thom, MA, PhD
C N Spottiswoode, BSc, PhD (from 1 October 2021)
J M Potter, BA (Oxon), (from 1 September 2022)

MAGDALENE COLLEGE, CAMBRIDGE
PRINCIPAL OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 JUNE 2022

Address

Magdalene College
Cambridge
CB3 0AG

Officers

Master:	Sir Christopher Greenwood, GBE, CMG, QC, MA, LLM
President:	Dr M E Jane Hughes, MA, PhD (until 30 September 2021)
	Professor Brendan J Burchell, MA & PhD (Warwick) (from 1 October 2021)
Senior Tutor:	Dr Stuart Martin, MA, PhD
Senior Bursar:	Mr Steven Morris, BA (Newcastle), FCA, IPFA
Development Director:	Mrs Corinne Lloyd, MA (Kent)

Professional Advisers

Auditors:	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA
Bankers:	Lloyds Bank 3 Sidney Street Cambridge CB2 3HQ
Property Managers: (Commercial)	Cheffins Commercial Clifton House 1-2 Clifton Road Cambridge CB1 7EA
Property Managers: (Agricultural)	Savills Olympic House Doddington Road Lincoln LN6 3SE
Securities Managers:	Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN
Solicitors:	Ashtons Legal Chequers House 77-81 Newmarket Road Cambridge CB5 8EU

MAGDALENE COLLEGE, CAMBRIDGE
REPORT OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2022

The Governing Body of Magdalene College presents its Reports and Accounts for the year ended 30 June 2022.

STATUS

The College of Saint Mary Magdalene, one of 31 Colleges in the University of Cambridge, commonly called Magdalene College, was re-founded by Lord Audley of Walden in 1542. The 1542 Charter provides that the College is '*for the advancement of knowledge, arts, learning and virtue and for the advancement of moral studies in the University of Cambridge.*' The College became a registered charity on 18 August 2010. The Charity Commission of England and Wales is therefore the principal regulator for the College.

The College is a legally independent corporation within the collegiate University of Cambridge. A system of University-wide committees exists to plan and discuss the joint affairs of the collegiate University.

AIMS AND OBJECTIVES

The Governing Body has adopted a Strategic Plan to determine the future direction and size of the College. This plan identifies the priorities to be addressed to maintain and enhance teaching provision and the College's academic resources, and to provide appropriate residential and recreational amenities.

The College's charitable purpose as a place of religion, education, learning and research is clearly reflected by objectives in the Strategic Plan:

- to deliver a world-class undergraduate education by safeguarding the provision of small-group College-based supervision teaching;

- to maintain and develop a commitment for encouraging applications from the most talented students irrespective of social, ethnic and religious background in tandem with a needs-blind admission system supported by a comprehensive bursary programme; and

- to promote academic research of the highest quality.

GOVERNANCE

The Governing Body of the College comprises the Master and the Fellows (Classes A, B and C, if aged below 67 years) and they are *de facto* the trustees of the College. This body is constituted and regulated in accordance with the College Statutes (revised 1997) and is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets at least seven times a year under the chairmanship of the Master. The Presidents of the Middle Common Room (MCR) and the Junior Common Room (JCR) attend for unreserved business.

The Governing Body acknowledges its responsibility to act with prudence and care and to ensure the College complies with relevant laws and regulations. The Governing Body elects all Fellows of the College. Information is given to new Fellows regarding the College and how it is governed.

The principal committees of the Governing Body include the:

- Academic Committee; which establishes policy and monitors progress in respect of the College's main activities of education and research. The Committee meets five times a year and its membership is drawn from the Governing Body;

- Fellowship Committee; which advises on the recruitment and the retention of College Fellows including recommendations about individual elections. The Committee meets at least four times a year. Its membership, which is drawn from the Governing Body, reflects the range of academic disciplines;

- Finance & General Purposes Committee; which has responsibility for the oversight of the College's financial and administrative affairs and meets six times a year. Membership is drawn from the Governing Body;

- Investments Committee; which has oversight and sets policy for the College's endowment. The Committee meets four times a year and it includes external members with knowledge and experience of investments; and

- Development Committee; which oversees and sets policy for the College's alumni relations and fundraising programmes. The Committee meets at least three times a year and its membership is from the Governing Body and the wider Fellowship.

As secretary to the Governing Body, the Senior Bursar maintains a register of interests for members of the Governing Body. Declarations of interest are standing items on the agendas of the Governing Body and its principal committees. The Governing Body has established Stipends and Remuneration Committees, with memberships which are independent from it, to review and to advise on the benefits appertaining to Fellows. This Committee met on two occasions during the financial year to review relevant policy proposals. The Stipends Committee has reviewed its own remit and then advised the Governing Body accordingly. In terms of the College's pay policy, including that of senior management, a formal triennial review against comparative roles is undertaken to benchmark pay and subsequent recommendations appertaining to Fellows / College Officers are made to the Stipends and Remuneration Committees, which advise the Governing Body accordingly. Additional disclosure on the salaries of Fellows of the College who form the trustee body is given in the Notes to the accounts.

The Master is the chairman of the trustees and has a duty to promote the welfare of the College and to ensure the College maintains an appropriate learning environment for its members. The President, as a senior fellow, supports the interests of the fellowship and acts as the vice-master. The Senior Tutor has day-to-day responsibility for the admission, education and welfare of undergraduate and postgraduate students and supporting the research activities of the College. The Governing Body appoints Admissions Tutors to support the Senior Tutor in the selection of suitable students for admission to the College. The Senior Bursar has responsibility for the estates, finance and administration of the College.

The College appoints a Director of Studies for each undergraduate and provides small group teaching in addition to the teaching provided by the University. The College also provides a Tutor for each student and access to other forms of pastoral care, including a Chaplain (Dean of Chapel), Nurse and Counsellors. Together, the Dean and the Tutors have responsibility for maintaining standards of behaviour and good order in the College.

Members of the MCR and the JCR elect annually an executive committee to support and promote their welfare. The College makes grants to these student bodies, as well as to sports and cultural societies.

COVID-19 VIRUS: THE GLOBAL PANDEMIC

The Covid-19 virus continued to have a highly disruptive impact across the world during the first part of the financial year. Generally though, a global recovery period commenced in the autumn/winter 2021, although within the UK infection levels remained high throughout the spring and the early part of the summer 2022.

The University and the colleges have worked collaboratively since the start of the pandemic with joint planning and subsequent recovery streams. This has included sharing resources over student support, medical advice and scenario planning. The aim has been to protect and support the University's students and to provide a fair means of assessment in the absence of a normal examination process. A comprehensive plan for reopening the University was formulated in close consultation with the City Council and local Public Health agencies. The University and the colleges together established a comprehensive weekly testing programme for resident students as a key tool to identify and prevent infections during the University terms. Participation rates amongst the student population were high and generally students have acted in a highly responsible manner. The College established a senior officers' 'Gold' team from the outset of the pandemic to respond in a rapid manner to the issues arising from the pandemic.

Although the University Covid testing regime continued for the Michaelmas Term 2021 and into the Lent Term 2022 in order to manage student infections, the scheme ceased Easter 2022 in line with the closure of government related testing infrastructure.

The pandemic has had a significant financial impact on the College. This included lower commercial rental income, with the value of the College's commercial property portfolio being adversely affected but has substantially recovered from

the low point in June 2020. Finally, revenues from conferences during the summers of 2020 and 2021 have been minimal and are likely to take some time to recover to pre-pandemic levels.

PROGRESS MADE DURING THE YEAR

The pandemic has had a highly disruptive influence on students and academics and College life in general. The College has had to adjust its plans and future intentions to direct its attention to the core activities of supporting its students. Financial support funds have not been reduced and indeed have been increased to help to support our students.

Students have returned to residence following the heights of the pandemic and have been resident throughout the academic year and the College's community social life has rebounded in a positive manner.

The College is always striving to improve its own academic standards and is active in promoting the wider collegiate University's standing in terms of teaching and research and the position of the colleges within it. The College aims to build upon its existing academic strengths by recruiting Fellows who are outstanding in their field of study and by admitting talented students.

The Master, Sir Christopher Greenwood, took up his office in September 2020 and has since been leading the College through this difficult period and encouraging the College community to re-establish itself and to rebuild upon relationships.

The New Library became operational in February 2021 although occupancy was reduced initially due to measures relating to reducing the risk of Covid-19 infections. Normal capacity levels have been in place for the 2021-22 academic year. Students of the College have found the New Library to be a highly effective and enjoyable place to study. The new Gallery is housed within the New Library building and the first exhibitions commenced during the year, all of which have proven to be highly successful. An on-going programme of three exhibitions per year is planned.

The success of the Future *Foundations* fundraising campaign has made the New Library possible and, thanks to extremely generous support from donors, the campaign has in fact exceeded the College's own expectations. The College has now exceeded the £25m total target when cash donations and future pledges are taken into account.

As the UK has followed a recovery path from the pandemic, structural changes to the labour market, coupled with peak demand from employers, has led to a shortage of labour and high levels of vacancies. This labour shortage has been acute in the greater Cambridge area. This has meant significant challenges with recruitment in many departments of the College but particularly with hospitality and professional services. The College has responded with pay reviews and some bonus payments but the imbalance in the labour market remains a concern.

Inflation pressures coupled with the Ukraine war have led to another crisis of energy costs and supply, and therefore, difficult economic consequences for individuals and governments alike. This has impacted adversely on financial markets and economic growth. The inflationary experience for the College has been immediate with employment and non-pay costs increasing.

FINANCIAL REVIEW

Scope of Financial Statements

The financial statements include the accounts of Magdalene College and its subsidiary undertaking.

Sources of Funding

The principal sources of income of the College are:

- Students through fees charged for education provided
- The University through fees charged for education provided to its students
- Donors through grants for research
- Members and friends of the College through donations and bequests
- Students and Fellows through charges for goods, services and facilities provided
- Conference customers for goods, services and facilities provided
- Investment income from the accumulated endowment.

Results for the Year

The financial results for the year are given as follows:

	2022 £000	2021 £000	% Change
Total Income	12,899	10,561	+22.1%
Total Expenditure	(11,690)	(9,526)	+22.7%
Surplus before investment gains or changes to pension schemes	1,209	1,035	+16.8%
Gain on investments	3	9,445	-99.9%
Actuarial gain on pensions	510	653	-21.9%
Total Comprehensive Income	**1,722**	**11,133**	**-84.5%**

The College deems it prudent to plan for a modest recurrent surplus to provide stability and to allow for new funds for reinvestment.

Income

Overall income (before investment gains and actuarial pension changes) has increased by 22.1% when compared to the previous year. This was due to a partial recovery in member income for accommodation and catering following the heights of the pandemic, and higher 2021-22 student admissions. In addition, donations related to student support and research increased in the year. Market value losses on securities were offset by gains in commercial property values.

Income from academic fees was higher than the previous year as more postgraduate students were admitted. This increase is partially offset by a reduction in research activity and eligible students for Cambridge Bursary Scheme support.

Income from College-provided accommodation and catering was £3,165k (£1,861k for 2020-21), an increase of 70.1% on last year. Whilst college member accommodation income is now largely comparable to pre-pandemic levels, member catering income has been slower to recover from the impact of Covid. Conference revenues, having been decimated due to the pandemic, are still at nominal levels. The College participated in the government's job retention scheme, which ceased September 2021, and received £21k during this financial year.

Investment income increased by 5.7% to £3,726k (£3,526k previous year). Despite turbulent financial markets in the second half of the year actual income remained constant at 2020-21 levels. The spending rate on a total return basis was reduced in 2020 and remained at 3% for 2021-22. Rental income from the commercial property estate substantially increased with good rental collection and few voids.

Total donation income was £2,616k (£1,657k 2020-21), reflecting an increase in student support related donations and a large research related gift.

Expenditure

Expenditure on education increased to £5,049k (£4,454k previous year), which compares to £3,016k received (£2,773k previous year) directly from academic fees, providing a calculated deficit on educational activity of £2,033k (£1,681k previous year). This derives from a return to in-person teaching and tutorial related costs, including the New Library facility. Expenditure on education accounts for 43.2% (previous year 46.8%) of total expenditure.

Expenditure on College-provided accommodation and catering increased to £4,813k (£4,119k previous year) again due to increased activity in the year following Covid-19 restrictions being lifted. Other operating costs related to accommodation and catering and conferences increased by over 50% in line with the increase in students in residence and associated catering activity.

Total staffing costs remained static amounting to £4,264k (£4,247k previous year) or 36.5% of total costs (44.6% the previous year). This reflects the continued large-scale disruption by the pandemic on some normal college site-based activities and the time required to scale up some services. In addition, the tight labour market, evident in the second half of the year, significantly affected staff retention and recruitment. The College followed the general pay award in line with the higher education sector for its employees, but with an uplift given to staff on lower pay rates in accordance with the College's policy to match the 'Real Living Wage'. During the year, the College also paid two discretionary bonuses to staff in recognition of the growing cost of living.

The Governing Body remains concerned about the long-term costs of providing defined benefit pensions, and whilst it has taken steps to try to limit future liabilities by ceasing to offer a defined benefit scheme to new non-academic staff, many current employees participate in a defined benefit salary scheme. There has been an increase in the FRS 102 pension deficit, £1,969k (£1,878k 2020-21), with the deficits for CCFPS decreasing and USS scheme increasing. The USS pension provision movement is included in Other Expenditure.

Depreciation costs for operational buildings increased to £1,642k (£1,350k previous year) following the completion and the bringing into operation of the New Library building.

College net assets increased by £1.7m to £197.1m at the end of the year. Endowment values marginally increased despite falling financial markets due to an increase in commercial property values offsetting losses in security assets.

Capital Expenditure and Maintenance

The College's operational assets, the largest asset class of the College, remain a financial pressure for the College. There was no capital expenditure (separate from building maintenance) in the year while the programme concentrated on significant maintenance projects. There has a been a back log of maintenance and a loss of momentum due to the pandemic. The College commissions a rolling condition survey of its operational estate which informs its forward-looking five-year maintenance plan. The maintenance programme is designed to maintain and improve the estate and additional resources have been allocated to it in recent years, recognising the need to increase investment in the long-term maintenance of its operational estate. The programme has had to be reviewed and partially restored as the College aims to recover from the pandemic.

Investment Policy and Performance

The College manages its investments in securities or its financial assets and directly owned property to produce the highest return consistent with the preservation of capital value in real terms for the long term and given the associated risks. The principal responsibility of the Governing Body in investing the College's endowment is to ensure the real value of the endowment is maintained after spending, consistent with the risk/return profile adopted and within a suitably diversified portfolio. The Governing Body expects, within the scope of this fiduciary duty, its fund managers to engage actively with companies to promote and support acceptable standards of practice in respect of their business activities and how they impact on their employees, the environment, and the communities in which they operate. The Investments Committee undertakes an ongoing review of its responsible investment policy and made a substantive review of its policy during the year. The Governing Body approved a Statement of Investment Principles, which clearly

sets out the investment objectives, risk appetite and responsible investment policy, during the year. The purpose of the endowment is to preserve the real value after making distributions and inflation and to provide a steady reliable cashflow to support the college. The College expects its fund managers to integrate responsible investment approach and to align with the principles of the UN Compact.

The College holds a securities-based portfolio which was valued at £50.0m (£51.5m previous year). Its principal fund manager is Baillie Gifford (managing £44.5m in 2021-22 and £46.3m previous year). The College has a duty to maximise return from its investments, but it does so in a manner to be consistent with the College's charitable mission. The College also has direct property and modest agricultural land holdings (£43.9m in 2021-22). The direct property, which is managed by Cheffins, is held as a long-term strategic asset, with the policy of maximising yield, whilst the agricultural land is managed by Savills.

The Investments Committee, for its securities portfolio, agreed to retain the total return policy using a 3.0% spending rule and it resulted in a drawdown (from capital and income) of £1,207k (£1,109k in 2020-21). The unapplied total return fund provides a contingency sum in the event of falling values in financial markets and permits drawn down in adverse market conditions. The Investments Committee did, though, agree to restore the future spending rate back to 3.25%.

Given the impact of difficult financial markets due to growing inflationary pressures and consequential monetary tightening, and the impact of the Russian invasion of Ukraine, the College has been generally content with the performance of the endowment. The capital losses in financial markets leading to negative returns with the College's equity related investments have been cancelled out by the strong returns from directly (and indirectly) held property. Directly held property returned 13% in the year, giving an annualised 5-year average total return of 6.9%. the Charities Property Fund returned 23.5% for the same 12-month period. The Baillie Gifford funds have had mixed fortunes and both producing negative returns in these challenging markets. The long equity responsible fund returned -1.5%, a strong relative outperformance against its benchmark of -3.7% for the year to June 2022. The smaller holding in the multi asset fund fared less well, returning -12.1% against an inflation plus benchmark of 3.9%. The Investments Committee has already commenced a review of the possible alternative non-Baillie Gifford funds which might replace the multi asset funds.

The College holds an investment of c.£5m in the University's endowment fund but performance information for the year to June 2022 is unavailable until later in the year.

Donations and Fundraising

Magdalene's primary fundraising efforts are directed at raising monies through major donations as well as by regular giving, and to add to the College's endowment. Key objectives for the College include teaching, research, and student support. In 2017 an ambitious fundraising campaign was launched to raise £25m over a five-year period. The central themes being student support; the New Library; the restoration of the Pepys Library; and an improvement of the fabric of the College Estate. The campaign officially ended in July 2022 having exceeded the target and achieving a total over £29m on funds raised. The College is truly grateful for the generous response, enthusiasm for and support of the campaign.

The ongoing support of our Members, friends and the Fellowship is particularly welcome and appreciated during these trying economic times. Over the course of 2021-22, donations to the College exceeded expectations with the focus on student support resonating with donors. The College is grateful to its members and supporters. The costs of fundraising efforts were lower at £209k compared with £240k for 2020-21.

The College decided to defer its plans to fundraise for the restoration of the Pepys building over the course of the pandemic to allow time to review plans and project costs. This review, particularly in the light of growing inflationary pressures, is ongoing.

The College is registered with the Fundraising Regulator and continues to develop a shared understanding and agreement for activities concerning alumni, be it communications, attendance of events and use of data. The College has a Data Protection Statement which governs the use of any personal data held and the College insists alumni grant their consent in holding personal data. The College did not engage professional fundraisers during the year and does not seek to raise funds from members of the public.

Reserves, Endowment Funds and Associated Policy

Total College reserves and funds amounted to £197.1m. Within the College's endowment funds there are almost 100 trust funds supporting the College in achieving its aims.

These reserves are represented by the College's operational estate and to a large extent, the permanent endowment assets and, are therefore unavailable as income funds to be spent. Collectively the College maintains its free revenue reserves and its earmarked designated reserves, after taking account of the pension deficit. These are liquid unrestricted funds. The Governing Body considers it prudent to hold sufficient unrestricted reserves and appropriate earmarked reserves in the event of major variations to the College's income and expenditure and has concluded that its general unrestricted free reserves should be 20% of annual income and that its building reserve should represent 1% of the insurable value of the operational estate. Together this amounts to £4.1m.

Unrestricted Reserves shown in the Balance sheet	£117.7m
Of which constitute fixed and heritage assets	(£106.8m)
Less pension provisions	(£ 2.0m)
Leaving unrestricted liquid reserves	£ 8.9m
Target Free Reserves in accordance with College Policy	£ 4.1m

After taking these specific funds into account and a specific building repairs fund for its commercial and operational property, the College has a sufficient level of general funds available as a contingency measure to support its operations.

Cash Flow and Treasury Management

The College's treasury management policy requires cash deposits to be spread across a range of counterparties, all of which must be at least Fitch A credit rated. Net cash funds increased by £2,053k, from £4,295k to £6,348k over the year. Cash levels remain elevated to maintain liquidity given the uncertainty of inflationary pressures and a significant amount is pending long term investment into the endowment. The College has plans to reduce cash levels in the early part of the next financial year.

Going Concern

A statement in respect of the College and its financial sustainability is given in the Statement of Principal Accounting Policies and explains that the financial statements have been prepared on a going concern basis. The College plans ahead, preparing detailed budgets looking three years ahead, and has undertaken some financial scenario planning, particularly in relation to differing assumptions on inflation forecasts. The College also holds a healthy level of liquid funds to meet unexpected demands or changes in income streams.

PRINCIPAL RISKS

The College maintains a Major Risks Register that identifies what it considers the major risks to which the College is exposed and their assessed impact and probability of occurrence; this was reviewed and updated during the year. As outlined in the Governing Body's statement on Internal Controls the risk register is reviewed regularly by the principal College Officers and the Finance & General Purposes Committee, and then final consideration by the Governing Body. As far as is practical the College then takes additional measures to mitigate key risks and where appropriate insurance cover is put in place. Nevertheless, the College is exposed to a variety of significant risks. Presently the known principal risks include:

- Significant harm to the reputation of the College as a constituent part of the collegiate university
- The long-term impact of climate change and the need to transition to a low carbon campus with wide ranging sustainable policies
- The risk of cyber-attacks and unauthorised access to protected digital data
- Adverse performance of financial markets and the real economy which would in-turn impact on the College's endowment assets and other income streams

- The causal effect of the global pandemic and consequential societal restrictions and the shorter-term disruption to global supplies of goods, services and labour and international travel
- The cost of employee defined benefit pensions schemes
- Unexpected expenditure on building maintenance
- Rapid changes in inflation across all expenditure heads
- The impact of government policy on College income and individual student finances
- The strategic impact of government policy and any associated regulatory burden on College academic policy and governance arrangements
- Adverse events impacting on the College's academic standing of the college
- The fortunes of the local economy in terms of demand for commercial property in Cambridge
- The challenges of the local transportation system and its implications for recruitment and retention of employees
- The on-going impact on the economy and supply chains of inflationary pressures and the Russian invasion of Ukraine.
- The local labour market and the ability to attract and retain staff

The College through its own financial planning and operational management aims to mitigate the impact or set aside resources in the event of such risks taking place. Across the collegiate university the University and the colleges work collectively to identify and manage common risks and share steps to manage known risks.

FINANCIAL OUTLOOK AND PLANS FOR THE FUTURE

The impact of high levels of inflation coupled with the adverse effects of Russia's invasion of Ukraine has led to another crisis. A crisis of living costs as inflation balloons, and a crisis of energy supply and costs. This in turn is stunting confidence and economic growth. Financial markets have re-rated many securities resulting in double-digit negative returns over the first half of 2022. Governments of developed countries are responding with substantial fiscal support packages while central banks are raising interest rates to dampen future inflation.

The College has set a deficit budget for 2022-23 to minimise the impact of rapidly increasing expenditure on college life and operations. In the short-term income growth cannot match expenditure increases. The College has good levels of liquidity to support higher expenditure although meeting the 2022-23 budget is likely to be a challenge.

To-date the endowment has been reasonably resilient to the economic environment, but careful monitoring will be required.

A review of the project to restore the Pepys building is currently being undertaken together with an assessment of the fund-raising potential.

Student welfare and support is a strategic priority for the collegiate university and plans are underway to recruit to a welfare officer to coordinate the College's services in support of its students.

Although Covid-19 is no longer high-profile, infection levels are expected to increase again over the winter period and contingency plans are in place to instigate local measures to manage local outbreaks if necessary.

Approved by the Governing Body on 13 October 2022

C J Greenwood
Master

S J Morris
Senior Bursar

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF PUBLIC BENEFIT
YEAR ENDED 30 JUNE 2022

The Governing Body is satisfied that the activities as described in these reports and accounts meet the public benefit requirements of a registered charity and to its regulator the Charity Commission.

Objects

By maintaining an academic community of the Master, Fellows, Scholars and other students the College is fulfilling its charitable objects as a place of religion, education, learning and research within the University of Cambridge.

Education

The College provides an education for some 390 (2021: 391) undergraduate and 171 (2021: 149) postgraduate fee-paying students which is recognised internationally as being of the highest standard. The education develops students intellectually 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, bursaries, and individual or small-group supervision, as well as pastoral, administrative and academic support through its directors of studies and tutorial and postgraduate mentoring systems, thereby enabling students both to develop personally and intellectually and to proceed to degrees of the University of Cambridge (and in some cases other qualifications);

- specialist choral musical education for its choral students, including provision of choral and organ scholarships;

- a residential community with social, cultural, musical, recreational and sporting facilities that enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College; and

- accommodation and catering at reasonable rates.

Research

In the same way the College advances knowledge and learning through:

- supporting research work pursued by its Fellows through promoting interaction between them and across disciplines, and providing facilities and grants for attendance at national and international conferences and research trips, and other resources for research;

- providing Research Fellowships to outstanding academics in the early stages of their careers, which enable 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;

- providing Fellows and academic staff with study rooms;

- encouraging visits from outstanding academics from other institutions, with or without the provision of accommodation and meals at the common table; and

- encouraging the dissemination of research undertaken by members of the College through the publication of books, papers in academic journals, or other suitable means.

Libraries

The College Library provides a valuable resource for students and Fellows of the College. The College also maintains an Old Library for its members and members of other Colleges and the University of Cambridge more widely, and for external scholars and researchers.

The Pepys Library, which is a collection of international significance, provides an educational resource for academics, allows access to organised tours by local children and institutions, and is regularly open for visits by the general public.

Beneficiaries

The resident members of the College, both students and academic Fellows/staff, are the primary beneficiaries and are directly engaged in education, learning or research.

However, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions, and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities and take meals at the common table. The general public are also able to attend various educational activities in the College such as Open Garden exhibitions, and the College's educational festivals. Subject to certain reasonable restrictions, the grounds of the College are open to the general public on most days of the year without charge.

Admissions

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 Fellows and 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, Fellows and academic staff of the College are drawn from across the UK and internationally;

- whilst students of the College are predominantly between 18 and 24 years old, there are no age restrictions in the College's objects, and many postgraduate students are older than 24 years; 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 charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to postgraduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government); and

- A fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to student support.

Student Support

In order to assist undergraduates entitled to student support the College provides, through a scheme operated in common with the University and other Colleges (the Cambridge Bursary Scheme), bursary support for those of limited financial means. (For the academic year 2021-22, the number of awards made was 69, out of a Home/EU undergraduate population of 298; 44 of the awards were at the maximum value of £3,500; and the average value of the awards was £3,031.) The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. Supplementing the Cambridge Bursary Scheme, the College is committed to raising funds to award an enhanced bursary to every undergraduate eligible for the scheme's maximum £3,500 award. During 2021-22 the College was able to support 40 undergraduate students through this enhanced bursary scheme and a further 25 second and third year undergraduates were assisted through the 'top-up' bursary trial scheme.

To support postgraduate students, the College provides substantial financial support. This includes several scholarships to fund fees and living costs and 'top-up' to fill shortfalls in students' funding packages. The College has also established a Postgraduate Research Fund to assist postgraduates with expenses associated with research conferences and activities, usually in conjunction with the University. Awards are based upon academic criteria as well as the financial position of students. During the year the College provided financial assistance amounting to £406k from these schemes.

The College also offers support to all students through a grant scheme to assist with academic materials, supporting the costs of related short courses (e.g. language studies), and attendance at conferences. These awards are given following an evaluation of the academic relevance and the financial means of the student. The College provides a range of annual travel awards to provide opportunities to travel to complement academic study however, due to the pandemic travel and vacation study grants were more limited. Total travel awards made in 2021-22 were £9.9k
The Governing Body also approves annual prizes and scholarships for undergraduates obtaining outstanding examination success. In total £25.7k of scholarships and awards were granted to 119 students during the year.

Finally, the College operates a hardship scheme, which also partially contributes to the cost of the Cambridge Bursary Scheme, for all students in financial hardship and is actively campaigning to raise additional funds from its members. Awards are assessed by the student's Tutor and are based upon the specific financial situation of the student. The combined costs for these financial awards were £24.3k for the year.

Access

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying the College operates an outreach programme. This programme includes an extensive programme of visits to schools, annual outreach events outside College which schools are invited to attend, visits by schools to the College, open days, and admissions symposia for teachers, as well as guidance and information on the College website for prospective applicants.

In the year College Fellows, staff and existing students supported the access programme of events which led to contact with a number of prospective students. The College holds a series of outreach events each year however, due to the pandemic these activities were restricted. In total the College spent £13.4k during the year directly on outreach programmes. The College reintroduced in-person outreach and residential events during the year but on a more limited scale than pre-pandemic.

Religion

The College carries forward the tradition, 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 and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors;

- Maintains its choral tradition, which is integral to the provision of divine service in its Chapel, through the College's Choir;

- Supports, through the College Chaplain and through others, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none;

- Strives to maintain a College community which is socially cohesive and is supportive of its members from all faith backgrounds or none; and

- Maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron or joint Patron of 11 parishes.

There is no geographical, age or religious restriction on who may attend Chapel in the College and in practice those attending are highly varied and include those who do not follow the Christian faith. The pastoral services of the clergy of the College are available to all members of the College whatever their faith traditions or none.

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF INTERNAL CONTROL
YEAR ENDED 30 JUNE 2022

The Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes, the requirements of the Charity Commission and the Education Memorandum with the University of Cambridge.

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The process was in place for the year ended 30 June 2022 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Governing Body meets regularly throughout the year to consider the progress being made by the College, the effectiveness of its policies and plans which support the strategic direction of the College
- The Governing Body receives relevant reports from its committees concerning its policies, the risks and any specific issues in connection with the system of internal control
- A College risk register is maintained and reviewed regularly
- A system of risk ranking is used to monitor risks and to highlight the principal risks
- Risks are assigned responsibility to College Officers and Heads of Departments of the College
- The Finance and General Purposes Committee undertakes a detailed annual review of the risk register and briefs the Governing Body accordingly.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work and advice of College Officers and Heads of Department, who have operational responsibility for the maintenance and development of the internal control system.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the external auditors, through their comments in the management letter and other reports.

MAGDALENE COLLEGE, CAMBRIDGE
RESPONSIBILITIES OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2022

The Governing Body 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's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body 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 Governing Body 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 Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are 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 Governing Body 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.

Opinion

We have audited the financial statements of Magdalene College, Cambridge (the 'College') and subsidiary ('the Group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the 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's and College's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and

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 ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governing Body is responsible for the other information. The other information comprises the information included in the Report of the Governing Body 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governing Body.

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 Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 19, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the Group's 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, College or subsidiary 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 Group 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 Group's legal advisors.

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

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/auditorsresponsibilties. This description forms part of our auditors' report.

Use of our report

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

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors
Salisbury House, Station Road, Cambridge CB1 2LA

14 October 2022

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

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 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

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

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

Going concern

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2022 year end up to financial year end 2025 using three different scenarios as part of a financial planning exercise. The College has also set a detailed budget plan for the 2022-23 financial year and an outline budgets up to financial year end 2025. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans, demonstrate that the College has sufficient resources to meet liabilities as they fall due for a period of no less than 12 months from the date these financial statements are approved. The Governing Body, as the trustee body of the College, considers preparation of these financial statements using a going concern basis to be appropriate.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain operational land and buildings at deemed cost.

Basis of consolidation

The Consolidated Financial Statements include the College and its subsidiary undertaking, Cloverleaf Limited. Intra-group transactions are eliminated upon consolidation. The activities of student societies have not been consolidated. A separate balance sheet and related notes for the College only are not included because Cloverleaf Limited is a design and build company and therefore the balance sheet of the College would not be materially different to the one included in these accounts. Some details of the subsidiary undertaking are given in note 26.

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. The costs of any fees waived or written off by the College are included as expenditure.

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

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

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

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

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

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

Total return

The College invests its securities investment portfolio and allocates a proportion of the related earnings and capital appreciation to the income and expenditure account in accordance with the total return investment concept. The allocation to income is determined by a spending rule, currently 3.0%, which is designed to stabilise annual spending levels from the endowment. The income transferred to the consolidated Statement of Comprehensive Income and Expenditure on this total return basis is calculated by a formula that uses the weighted average value of the College's securities portfolio over a three-year period up to the commencement of the current accounting year. Details are given in note 3.

Investment income and change in value of investment assets

Investment income and any 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.

Cambridge Bursary Scheme

In 2021-22, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, 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 £115k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1):	£98k
Expenditure:	£213k

Pension schemes

The College participates in the Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly

attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

Because of the mutual nature of the Church of England Funded Pension Scheme, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period and expenses accrued in that year, plus any impact of deficit contributions. Since the College has entered into a 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 the resulting expense in the Statement of Comprehensive Income and Expenditure in accordance with Section 28 of FRS 102.

The College offers a defined contribution pension scheme for non-academic staff. For staff employed before 1 April 2014 this was the Cambridge Colleges Group Pension Scheme. For staff employed after that date it is the NOW: Pensions Scheme. The assets of both those defined contribution schemes are held separately from those of the College. The annual contributions payable are charged to the Statement of Comprehensive Income and Expenditure.

Tangible fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold operational buildings are depreciated on a straight line basis over their expected useful lives as follows:

the structure between 41 and 100 years
the internal fit-out between 15 and 35 years
the mechanical and electrical services between 10 and 35 years

Buildings under the course of construction are valued at cost, based on the value of architects' certificates and any other direct costs incurred. They are not depreciated until they are brought into use. The cost of additions to operational property shown in the balance sheet includes the cost of land.

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.

Maintenance of premises
The College has a five year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is shown in the consolidated Statement of Comprehensive Income and Expenditure as it is incurred. The cost of major refurbishment and maintenance which restores or improves value is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs, these being disclosed within unrestricted reserves.

Equipment
Equipment costing less than £5,000 per individual item or group of related items is written off in the year of purchase. All other equipment is capitalised and depreciated over their expected useful life as follows:

Furniture and equipment	10 years
Energy regeneration	20 years
Library books	15 years
Information technology	3 or 5 years
Catering & conference equipment	5, 10 or 20 years

Where equipment is acquired with the aid of specific bequests or donations it is capitalised and depreciated. The related benefactions are credited to income in the year it arises.

Heritage assets
The College holds and conserves two book collections which are of historical and cultural importance. The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. During the year ended 30 June 2022, the College was gifted two collections of books and manuscripts of cultural importance. The College commissioned an expert valuation of the collections and as such the assets have been capitalised and this has been taken as the deemed cost. 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 fair value on 30 June each year, except for investments in the subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.

Direct property
Investment properties are included at fair valuation and the aggregate surplus or deficit is transferred to Unrestricted Reserves. A formal valuation is performed at least every 5 years. For commercial property holdings, a formal valuation is currently undertaken every year and this year was carried out by Cheffins, Chartered Surveyors, as at 30 June 2022. The last formal valuation for agricultural land was carried out by FPD Savills as at 30 June 2018.

Stocks

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

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.

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party

to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

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

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

Foreign currency translation

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

Taxation

The College is a registered charity (number 1138143) 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 to 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 the 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 as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

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 estimates and judgements

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

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

Income recognition
Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. 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 8a.

Investment property
Properties are revalued to their fair value at the reporting date by the College's Property Agent, Cheffins. Any valuation is based on the assumptions and judgements which are influenced by a variety of factors including market and other economic changes.

Pensions

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Governing Body is satisfied that the scheme provided by USS and the Church of England Funded Pension Scheme meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
YEAR ENDED 30 JUNE 2022

		2022				2021			
	Note	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	3,156	98	-	3,254	2,984	145	-	3,129
Accommodation, catering and conferences	2	3,165	-	-	3,165	1,861	-	-	1,861
Investment income	3	2,484	10	1,232	3,726	2,282	8	1,236	3,526
Endowment return transferred	3	390	817	(1,207)	-	345	764	(1,109)	-
Other income		113	25	-	138	363	25	-	388
Total income before donations and endowments		9,308	950	25	10,283	7,835	942	127	8,904
Donations		419	1,572	-	1,991	439	492	-	931
New endowments		-	-	292	292	-	-	290	290
Other donations for assets		69	264	-	333	10	426	-	436
Total income		9,796	2,786	317	12,899	8,284	1,860	417	10,561
Expenditure									
Education	4	4,003	1,046	-	5,049	3,458	996	-	4,454
Accommodation, catering and conferences	5	4,805	8	-	4,813	4,104	15	-	4119
Investment management costs	3	66	-	223	289	61	-	164	225
Other expenditure		1,428	95	-	1,523	689	25	-	714
Contribution under Statute G, II		16	-	-	16	14	-	-	14
Total expenditure	6	10,318	1,149	223	11,690	8,326	1,036	164	9,526
Surplus/(deficit) before other gains / losses		(522)	1,637	94	1,209	(42)	824	253	1,035
Gain/(loss) on investments		(113)	(173)	289	3	274	415	8,756	9,445
Surplus/(deficit) for the year		(635)	1,464	383	1,212	232	1,239	9,009	10,480
Other comprehensive income									
Actuarial gain in respect of pension schemes	15	510	-	-	510	653	-	-	653
Total comprehensive income for the year		125	1,464	383	1,722	885	1,239	9,009	11,133

The notes on pages 34 to 52 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 30 JUNE 2022

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2021	117,574	6,850	70,969	195,393
Surplus/(Deficit) from income and expenditure statement	(635)	1,464	383	1,212
Other comprehensive income	510	-	-	510
Release of capital funds spent in year	260	(260)	-	-
Transfers	(20)	20	-	-
Balance at 30 June 2022	117,689	8,074	71,352	197,115

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2020	112,879	10,404	60,977	184,260
Surplus/(Deficit) from income and expenditure statement	232	1,239	9,009	10,480
Other comprehensive income	653	-	-	653
Release of capital funds spent in year	4,801	(4,801)	-	-
Transfers	(991)	8	983	-
Balance at 30 June 2021	117,574	6,850	70,969	195,393

The notes on pages 34 to 52 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED BALANCE SHEET
YEAR ENDED 30 JUNE 2022

	Note	2022 £000	2021 £000
Non-current assets			
Fixed assets	8a	106,650	108,262
Heritage Assets	8b	178	109
Investments	9	93,931	92,474
		200,759	200,845
Current assets			
Stocks	10	189	195
Trade and other receivables	11	1,551	1,790
Cash and cash equivalents	12	6,348	4,295
		8,088	6,280
Creditors: amounts falling due within one year	13	(3,335)	(2,970)
Net current assets		4,753	3,310
Creditors: amounts falling due after more than one year	14	(6,428)	(6,884)
Provisions			
Pension provisions	15	(1,969)	(1,878)
Total net assets		197,115	195,393
Restricted reserves			
Income and expenditure reserve - endowment reserve	16	71,352	70,969
Income and expenditure reserve - restricted reserve	17	8,074	6,850
		79,426	77,819
Unrestricted reserves			
Income and expenditure reserve - unrestricted		117,689	117,574
Total reserves		197,115	195,393

These financial statements were approved by the Governing Body on 13 October 2022 and are signed on their behalf by:

C J Greenwood
Master

S J Morris
Senior Bursar

The notes on pages 34 to 52 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2022

	Note	2022 £000	2021 £000
Net cash inflow from operating activities	18	488	(835)
Cash flows from investing activities	19	2,239	(4,627)
Cash flows from financing activities	20	(674)	(689)
Increase in cash and cash equivalents in the year		2,053	(6,151)
Cash and cash equivalents at beginning of the year		4,295	10,446
Cash and cash equivalents at end of the year	12	6,348	4,295

The notes on pages 34 to 52 form part of these accounts

1. Academic fees and charges

	2022 £000	2021 £000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,393	1,423
Fee income received at the Unregulated Undergraduate rate	868	783
Fee income received at the Postgraduate rate	755	567
Research income	140	211
Cambridge Bursary scheme	98	145
Total	3,254	3,129

2. Income from accommodation, catering and conferences

		2022 £000	2021 £000
Accommodation	College members	2,309	1,627
	Conferences	95	59
Catering	College members	681	174
	Conferences	80	1
Total		3,165	1,861

3. Endowment return and investment income

	2022 £000	2021 £000
3a. Analysis		
Total return contribution (see note 3b)	1,207	1,109
Income from:		
Freehold land and buildings	2,457	2,275
Unit Trust Scheme	-	-
Cash Deposits	38	14
Total	3,702	3,398

3b. Summary of total return

	2022 £000	2021 £000
Income from:		
Quoted and other securities and cash	1,232	1,236
Gains on endowment assets:		
Quoted and other securities and cash	(2,967)	7,655
Investment management costs (see note 3c)	(223)	(164)
Total return for year	(1,958)	8,727
Total return transferred to income and expenditure reserve (see note 3a)	(1,207)	(1,109)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	(3,165)	7,618
Unapplied total return at beginning of year	22,626	15,008
Unapplied total return at end of year	19,461	22,626

3c. Investment management costs

	2022 £000	2021 £000
Quoted security – equities	-	-
Pooled investments	223	164
Fixed interest securities	-	-
Investment management costs included within note 3b	223	164
Freehold Land and Buildings	66	61
Total	289	225

4. Education expenditure

	2022 £000	2021 £000
Teaching	2,167	1,690
Tutorial	651	555
Admissions	551	484
Research	618	630
Scholarships and awards	811	865
Other educational facilities	251	230
Total (note 6)	5,049	4,454

5. Accommodation, catering and conferences expenditure

		2022 £000	2021 £000
Accommodation	College members	3,259	2,827
	Conferences	319	264
Catering	College members	905	742
	Conferences	330	286
Total (note 6)		4,813	4,119

6a. Analysis of 2021/22 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,202	2,319	528	5,049
Accommodation, catering and conferences (note 5)	1,821	1,905	1,087	4,813
Investment management costs (note 3c)	-	289	-	289
Other expenditure	241	1,255	27	1,523
Contribution under Statute G, II	-	16	-	16
	4,264	5,784	1,642	11,690

Expenditure includes fundraising costs of £209k. This expenditure does not include the costs of alumni relations.

6b. Analysis of 2020/21 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,217	1,976	261	4,454
Accommodation, catering and conferences (note 5)	1,795	1,238	1,085	4,118
Investment management costs (note 3c)	-	225	-	225
Other expenditure	235	475	4	714
Contribution under Statute G, II	-	14	-	14
	4,247	3,928	1,350	9,525

Expenditure includes fundraising costs of £240k. This expenditure does not include the costs of alumni relations.

6c. Auditors remuneration

	2022 £000	2021 £000
Other operating expenses include:		
Audit fees payable to College's external auditors	25	23

7. Staff

	Academic 2022 £000	Non-academics 2022 £000	Total 2022 £000	Total 2021 £000
Staff Costs				
Salaries	921	2,708	3,629	3,554
National Insurance	74	234	308	295
Pension costs (note 24)	142	185	327	398
	1,137	3,127	4,264	4,247

Average staff numbers (full-time equivalents)	Average staff number 2022		Average staff number 2021	
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	57		59	
Non-academics	3	88	3	92
	60	88	62	92

At the Balance Sheet date there were 43 members of the Governing Body. During the year the number receiving remuneration was 40 who are included in the 60 remunerated Fellows shown above.

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

	2022 Number	2021 Number
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	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

	Total 2022 £000	Total 2021 £000
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are therefore the trustees. 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.	880	866

Aggregated remuneration

The Trustees received no remuneration in their capacity as Trustees of the Charity, these payments relate to their capacity as College Officers.

8a. Fixed assets

	Freehold Land £000	Buildings £000	Furniture & Equipment £000	Energy Regeneration £000	Library Books £000	Information Technology £000	Motor Vehicles £000	Total £000
Original cost/valuation								
At beginning of year	40,020	76,187	1,345	75	172	340	10	118,149
Additions at cost		-	-	-	15	-	17	32
Disposals	-	-	(9)	-	(7)	-	-	(16)
Reclassification		-	-	-	-	-	-	-
At end of year	40,020	76,187	1,336	75	180	340	27	118,165
Depreciation								
At beginning of year	-	8,584	910	20	73	297	3	9,887
Charge for the year	-	1,543	62	4	12	20	1	1,642
Eliminated on disposals	-	-	(7)	-	(7)	-	-	(14)
At end of year	-	10,127	965	24	78	317	4	11,515
Net book value								
At end of year	40,020	66,060	371	51	102	23	23	106,650
At beginning of year	40,020	67,603	435	55	99	43	7	108,262

The insured value of freehold land and buildings at 30 June 2022 was £154,480k (2021: £150,039k).

8b. Fixed assets (continued)

Heritage assets

The College holds and conserves two book collections which are of historical and cultural importance. These comprise the Pepys Library and the Old Library, which provide a valuable research and educational resource. In respect of these collections, the College's practice is to preserve, conserve and manage the items in its care; to augment the collections where appropriate and within the limited resources available; to enable and encourage access to and use of the collections for teaching and research; and to enable access to and engagement with the Pepys library collection of books by members of the public.

The College holds and conserves a collection of artwork that is of cultural importance. In respect of this collection, the College's practice is to preserve, conserve and manage the items in its care; to augment the collection where appropriate and within the limited resources available; to enable and encourage access to and use of the collection for teaching and research; and to enable access to and engagement with the College's collections by members of the public.

The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. During the year ended 30th June 2022, the College was gifted two collections of books and manuscripts of cultural importance. The College commissioned an expert valuation on these collections and as such the assets have been capitalised and this has been taken as the deemed cost. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

	2022 Total £000	2021 Total £000
Balance at beginning of year	109	99
Acquisitions gifted	69	10
Total cost of acquisitions	69	10
At end of year	178	109

9. Investments

	2022 Total £000	2021 Total £000
Balance at beginning of year	92,474	80,593
Additions	2,950	2,473
Disposals proceeds	(1,307)	-
Appreciation on revaluation	3	9,445
Increase in cash balances held at fund managers	(189)	(37)
Balance at end of year	93,931	92,474
Represented by:		
Property	43,894	40,924
Unit Trust Scheme	4,698	3,807
Quoted securities – Equities	-	-
Other investments	45,339	47,743
Cash held for reinvestment	-	-
	93,931	92,474

Investments held by the College also include an additional £1 (2021: £1) investment in the subsidiary company at cost (see note 26).

10. Stocks

	2022 £000	2021 £000
Goods for resale:		
Catering	29	26
Fellows Wine	150	159
Merchandise	10	10
	189	195

11. Trade and other receivables

	2022 £000	2021 £000
Members of the College	114	82
Rents	711	1,030
Conferences	20	1
Other receivables	706	677
	1,551	1,790

12. Cash and cash equivalents

	2022 £000	2021 £000
Bank deposits	3,407	1,640
Current accounts	2,941	2,654
Cash in hand		1
	6,348	4,295

13. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Bank loans	470	470
Due to tradesmen and others	777	815
University fees	117	4
Advance deposits – students	566	373
Caution money	206	195
Contribution to Colleges Fund	16	23
Other creditors	145	152
Accruals and deferred income	983	839
Deferred research income	55	99
	3,335	2,970

14. Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Bank loans	5,875	6,345
Fee deposits	553	539
	6,428	6,884

15. Pension provisions

	CEFPS £000	CCFPS £000	USS £000	2022 £000	2021 £000
Balance at beginning of year	4	1,365	509	1,878	2,628
Movement in the year					
Current service cost including life assurance	-	16	897	913	216
Contributions	(2)	(63)	(276)	(341)	(347)
Other finance cost	-	25	4	29	33
Actuarial (gain) recognised in Statement of Comprehensive Income and Expenditure	-	(510)	-	(510)	(653)
Remaining change in balance sheet liability recognised in SoCIE	-	-	-	-	1
Balance at end of year	2	833	1,134	1,969	1,878

16. Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2022 Total £000	2021 Total £000
Balance at beginning of year				
Capital	30,946	40,023	70,969	60,977
New donations and endowments	291	1	292	290
Fund transfers	-	-	-	983
Increase/(decrease) in market value of investments	(1,969)	2,060	91	8,719
Balance at end of year	29,268	42,084	71,352	70,969
Analysis by type of purpose				
Fellowships	10,494	-	10,494	11,092
Student Hardship and Bursaries	5,693	-	5,694	6,080
Postgraduate Scholarships	5,659	-	5,659	5,898
Undergraduate Scholarships and Prizes	1,447	-	1,447	1,543
Travel Awards	321	-	321	342
Music, Chapel and Choir	398	-	398	424
Student Sports and Culture	927	-	927	979
Library Funds	3,392	-	3,392	3,599
Other Funds	937	-	937	989
Corporate Capital	-	42,084	42,083	40,023
	29,268	42,084	71,352	70,969
Analysis by asset				
Property	-	43,761	43,761	40,791
Less Bank loan	-	(6,345)	(6,345)	(6,815)
Securities	29,268	4,634	33,902	36,960
Cash	-	34	34	33
	29,268	42,084	71,352	70,969

17. Restricted Reserves

Reserves with restrictions are as follows:

Consolidated	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2022 Total £000	2021 Total £000
Balance at beginning of year					
Capital	9	-	4,215	4,224	8,226
Accumulated income	-	2,626	-	2,626	2,178
	9	2,626	4,215	6,850	10,404
New donations	264	-	1,572	1,836	918
Fund transfer	-	-	19	19	18
Endowment return transferred	-	751	66	817	764
Other income	-	28	104	132	178
Increase/(decrease) in market value of investments	-	-	(173)	(173)	415
Transfers	-	1	-	1	(10)
Release of capital funds spent in year	(260)	-	-	(260)	(4,801)
Expenditure	-	(371)	(777)	(1,148)	(1,036)
Balance at end of year	13	3,035	5,026	8,074	6,850
Capital	13	-	5,026	5,039	4,224
Accumulated income	-	3,035	-	3,035	2,626
	13	3,035	5,026	8,074	6,850
Analysis of other restricted funds/donations by type of purpose					
Fellowships	-	972	2,394	3,366	2,775
Student Hardship and Bursaries	-	1,255	257	1,512	1,336
Postgraduate Scholarships	-	350	437	787	684
Undergraduate Scholarships and Prizes	-	161	884	1,045	881
Travel Awards	-	55	80	135	117
Music, Chapel and Choir	-	51	-	51	48
Student Sports and Culture	-	42	1	43	35
Library Funds	-	148	6	154	84
New Library Funds	13	1	-	14	9
Other Funds	-	-	967	967	881
	13	3,035	5,026	8,074	6,850

18. Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2022 £000	2021 £000
Surplus for the year	1,212	10,480
Adjustment for non-cash items		
Depreciation	1,645	1,358
Investment income	-	1
Decrease in stocks	6	14
Decrease in trade and other receivables	239	385
Increase in creditors	379	(214)
Movement in pension deficit	601	(97)
(Gain)/loss on investment	(3)	(9,445)
Donated Heritage Assets	(69)	(10)
Adjustment for investing or financing activities		
Investment income	(3,726)	(3,526)
Interest paid	204	219
Net cash inflow from operating activities	488	(835)

19. Cash flows from investing activities

	2022 £000	2021 £000
Investment income	3,726	3,526
Non-current investment disposal	1,307	-
Endowment funds invested	(2,762)	(2,438)
Payments made to acquire non-current assets	(32)	(5,715)
Total cash flows from investing activities	2,239	(4,627)

20. Cash flows from financing activities

	2022 £000	2021 £000
Interest paid	(204)	(219)
Repayments of amounts borrowed	(470)	(470)
Total cash flows from financing activities	(674)	(689)

21. Consolidated reconciliation and analysis of net debt

	At July 2021	Cash Flows	Acquisitions & Disposal of subsidiaries	New finance leases	Other non-cash changes	Changes in market value and exchange rates	At 30 June 2022
	£000	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	4,295	2,053	-	-	-	-	6,348
Borrowings: amounts falling due within one year							
Unsecured loans	(470)		-	-	-	-	(470)
Bank overdraft	-	-	-	-	-	-	-
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(470)		-	-	-	-	(470)
Borrowings: Amounts falling due after more than one year							
Unsecured loans	(6,345)	470	-	-	-	-	(5,875)
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(6,345)	470	-	-	-	-	(5,875)
	(2,520)	2,523	-	-	-	-	3

22. Financial Instruments

	2022 £000	2021 £000
Financial assets		
Financial assets that are equity instruments measure at cost less impairment		
Other investments	50,037	51,550
Financial assets that are debt instruments measure at amortised cost		
Cash and cash equivalents	6,348	4,295
Other debtors	1,423	1,663
Financial liabilities		
Financial liabilities measure at amortised cost		
Loans	6,345	6,815
Trade creditors	777	815
Other Creditors	1,604	1,286

23. Capital commitments

	2022 £000	2021 £000
Capital commitments at 30 June are as follows:		
Authorised and contracted	-	-

24. Pension Schemes

The College participates in three defined benefit schemes and two defined contribution schemes. The defined benefit schemes are the Universities Superannuation Scheme (USS), the Cambridge Colleges' Federated Pension Scheme (CCFPS) and the Church of England Funded Pensions Scheme (CEFPS). The defined contribution schemes are the NOW: Pensions scheme and the Cambridge Colleges Group Pension Scheme. The details of the schemes are as follows:

Universities Superannuation Scheme

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumptions	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 assumptions used relate 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% pa for females

24. Pension Schemes continued

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

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

	2022	2021
Discount rate	3.31%	0.87%
Pension increases (CPI)	4.45%	2.5%

Cambridge Colleges' Federated Pension Scheme

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

The liabilities of the plan have been calculated, at 30 June 2022, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions 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:

	2022 % p.a.	2021 % p.a.
Discount rate	3.80	1.80
Increase in salaries	n/a	3.10
Retail Prices Index (RPI) assumption	3.45*	3.40
Consumer Prices Index (CPI) assumption	2.75*	2.60
Pension Increases in payment (CPI Max 2.5% p.a.)	2.05*	1.95

*For 1 year only, we have assumed that RPI will be 11% and CPI will be 9%. The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2021: S3PA with CMI_2020 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

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

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

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

24. Pension Schemes continued

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.

The amounts recognised in the balance sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows:

	2022	2021
	£	£
Present value of plan liabilities	(6,411,539)	(8,101,861)
Market value of plan assets	5,578,193	6,736,394
Net defined benefit asset/(liability)	**(833,346)**	**(1,365,467)**

The amounts to be recognised in profit and loss for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Current service cost	-	8,511
Administrative expenses	15,918	13,562
Interest on net defined benefit (asset)/liability	24,596	29,631
Total	**40,514**	**51,704**

Changes in the present value of the plan liabilities for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Present value of plan liabilities at beginning of period	8,101,861	8,581,688
Current service cost	-	8,511
Employee contributions	-	401
Benefits paid	(275,258)	(366,944)
Interest on plan liabilities	143,367	121,784
Actuarial losses/(gains)	(1,558,431)	(243,579)
Present value of plan liabilities at end of period	**6,411,539**	**8,101,861**

Changes in the fair value of the plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Market value of plan assets at beginning of period	6,736,394	6,548,515
Contributions paid by the College	62,536	66,022
Employee Contributions	-	401
Benefits paid	(275,258)	(366,944)
Administrative expenses paid	(17,942)	(20,659)
Interest on plan assets	118,771	92,153
Return on assets, less interest included in Profit & Loss	(1,046,308)	416,906
Market value of plan assets at end of period	**5,578,193**	**6,736,394**
Actual return on plan assets	(927,537)	509,059

24. Pension Schemes continued

The major categories of plan assets for the year ending 30 June 2022 (with comparative figures at 30 June 2021) are as follows:

	2022	**2021**
Equities	52%	48%
Bonds & Cash	34%	42%
Property	14%	10%
Total	**100%**	**100%**

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	**2021**
	£	£
Return on assets, less interest included in Profit & Loss	(1,046,308)	416,906
Expected less actual plan expenses	(2,024)	(7,097)
Experience gains and losses arising on plan liabilities	(597,637)	104,648
Changes in assumptions underlying the present value of plan liabilities	2,156,068	138,931
Remeasurement of net defined benefit liability recognised in OCI	**510,099**	**653,388**

Movement in net defined benefit asset/(liability) during the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	**2021**
	£	£
Net defined asset/(liability) at beginning of year	(1,365,467)	(2,033,173)
Recognised in Profit and Loss	(40,514)	(51,704)
Contributions paid by the College	62,536	66,022
Remeasurement of net defined benefit liability recognised in OCI	510,099	653,388
Net defined benefit asset/(liability) at end of year	**(833,346)**	**(1,365,467)**

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 actuarial valuation are different to those adopted under FRS102.

The last such actuarial 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 £48,974 per annum payable for the period to 30 June 2021
- No contributions thereafter.

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

24. Pension Schemes continued

Other Pension Schemes

The College participates in three other pension schemes:

NOW: Pensions

The College appointed NOW: Pensions to provide its workplace pension scheme for its non-academic staff from 1 April 2014. NOW: Pensions provides a defined contribution scheme which invests employer and employee contributions to provide a member specific fund that will be converted into pension on the member's retirement. There were contributions of £17k (2021: £20k) outstanding as at the year end due to NOW: Pensions.

Cambridge Colleges Group Personal Pension Scheme

The College offered a defined contribution pension scheme to its non-academic staff until April 2014. The pension cost for this scheme represents contributions payable by the College, plus the set-up costs. There were contributions of £2k (2021: £3k) outstanding as at the year end due to the Cambridge Colleges Group Personal Pension Scheme.

Church of England Funded Pensions Scheme

Magdalene College (Cambridge) 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 Board, 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 FRS 102. 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.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption:

- An average discount rate of 3.2% p.a.;
- Increase in pensionable stipends of 3.4% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 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.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are set out in the table below.

% of pensionable stipends	Jan-18 to Dec-20	Jan-21 to Dec-22
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

24. Pension Schemes continued

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

	2021	2020
Balance sheet liability at 1 January	4,000	6,000
Deficit contribution paid	(2,000)	(3,000)
Remaining change to the balance sheet liability* (recognised in SOCIE)	-	1,000
Balance sheet liability at 31 December	2,000	4,000

* 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. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

	Dec-21	Dec-20	Dec-19
Discount rate	0.0% pa	0.2% pa	1.1% pa
Price inflation	n/a	3.1% pa	2.8% pa
Increase to total pensionable payroll	-1.5% pa	1.6% pa	1.3% pa

The legal structure of the scheme is such that if another Responsible Body fails, Magdalene College (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

The total pension cost for the year to 30 June (see note 7) was as follows:

	2022	2021
	£000	£000
USS: Contributions	242	250
CCFPS: Charged/(Credited) to SOCIE	(47)	6
Other Schemes	132	142
	327	398

25. Related Party Transactions

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

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

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

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

25. Related Party Transactions continued

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

		2022	2021
From	To		
£1	£10,000	24	23
£10,001	£20,000	6	7
£20,001	£30,000	5	2
£30,001	£40,000	-	2
£40,001	£50,000	1	1
£50,001	£60,000	-	-
£60,001	£70,000	1	1
£70,001	£80,000	1	1
£80,001	£90,000	1	1
£90,001	£100,000	-	-
£100,001	£110,000	1	1
	Total	40	39

The total Trustee salaries were £692k for the year (2021: £685k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £188k for the year (2021 £181k).

The College has one trading subsidiary, Cloverleaf Limited, which is consolidated into these accounts. Cloverleaf Limited is 100% owned by the College and is 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 grouped companies that are related parties.

26. Principal subsidiary and associated undertakings and other significant investments

	Cost £	Class of shares	Holding
Cloverleaf Limited	1	Ordinary	100%

The principal activity of the above company is the development of the grounds and buildings of Magdalene College, Cambridge. This company is included in these consolidated financial statements.

THE COLLEGE OF ST MARY MAGDALENE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137542

Accounts

MAGDALENE COLLEGE
CAMBRIDGE

REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2021

Registered Charity Number 1137542

MAGDALENE COLLEGE, CAMBRIDGE
FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

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MAGDALENE COLLEGE, CAMBRIDGE
FELLOWSHIP
YEAR ENDED 30 JUNE 2021

FELLOWSHIP

Governing Body (Trustees of the charity)

Sir Christopher Greenwood, GBE, CMG, QC, MA, LLM (from 1 October 2020)
The Rt Revd & Rt Hon the Lord Williams of Oystermouth, PC, DD, Hon DCL (Oxford), FBA (until 30 September 2020)
Professor M A Carpenter, ScD
J R Patterson, MA, PhD
M E J Hughes, MA, PhD
Professor T Spencer, MA, PhD
Professor B J Burchell, MA and PhD (Warwick)
S Martin, MA, PhD
K Patel, MA, MSc and PhD (Essex) (until 30 September 2021)
Professor T N Harper, MA, PhD
N G Jones, MA, LLM, PhD
Professor H Babinsky, MA and PhD (Cranfield)
Professor P Dupree, MA, PhD
S K F Stoddart, MA, PhD
T A Coombs, MA, PhD
H Azérad, MA, PhD
A L Hadida, MA, PhD
C S Watkins, MA, MPhil, PhD
A L Du Bois-Pedain, MJur (Oxon)
S C Mentchen, MA
S J Morris, BA (Newcastle), FCA, IPFA
R M Burnstein, MB, BS, PhD
G P Pearce, MA, PhD
C Brassett, MB, BChir, MChir, FRCS
M J Waithe, MA (Leeds), PhD
C D Lloyd, MA (Kent)
R L Roebuck, BA, MEng, PhD
Professor A K Bennison, BA, PhD (London)
L C Skinner, BSc, MPhil, PhD
E So, MEng, PhD, CEng
W T Khaled, MA, PhD
A Ercole, BA, MA, PhD, PG Dipl, MB BChir, FRCA
T G Euser, PhD, MSc (Twente)
J M Munns, MA (Durham), MPhil (Bristol), PhD, FRSA
S A Bacallado, PhD
Professor S Dubow, BA (Hons), DPhil (Oxon)
Professor S J Eglen, DPhil
N R Carroll, MA, MB, BChir
J J Orr, PhD
The Revd S Atkins, MA
Professor P J Lane, MA, PhD
M F Ahmed, MPhil, MSc, PhD (until 31 August 2021)
A Meghji, MA, MPhil, PhD
M C Skott, PhD
A Mills, DipABRSM, MA,BCL (Oxon), Barrister at Law (Gray's Inn) (from 1 September 2021)

MAGDALENE COLLEGE, CAMBRIDGE
FELLOWSHIP *(continued)*
YEAR ENDED 30 JUNE 2021

Emeritus Fellows

Professor P J Grubb, ScD
R Hyam, LittD
P E Reynolds, ScD
Professor J E Field, OBE, PhD, FRS (deceased 21 October 2020)
His Honour C F Kolbert, MA, PhD
Professor N Boyle, LittD, FBA
Professor R J S Spence, MA, PhD
R Luckett, MA, PhD (deceased 19 November 2020)
Professor E Duffy, DD, FBA
Professor N Rushton, MD
Professor H A Chase, ScD, FREng

Research Fellows

F Exeler, PhD (Princeton), MA (Princeton), MA (Humboldt) (until 31 July 2021)
O F R Haardt, PhD (until 30 September 2020)
J C Jarrett, PhD (until 30 September 2021)
A L Gregory, PhD (until 11 June 2021)
S Caputo, BA (Cardiff), MSc (Edinburgh)
L M Kreusser, MSc (Kaiserslautern) (until 31 July 2021)
Glazer-Eytan, PhD (from 1 October 2020)
A Baez-Ortega, PhD (from 1 October 2020)

Senior Research Fellows

P M Steele, BA, MPhil, PhD
C N Spottiswoode, BSc, PhD
Professor J R Raven, MA, PhD
A P Coutts, BSc, MSc, PhD
A Neumann, MA, PhD
S Caddy, PhD
Professor F Aigbirhio, BSc, MA, DPhil, CChem, FRSC

Life Fellows

M D Billinge, MA, PhD
Professor W R Cornish, Hon QC, LLD, FBA
A R Thompson, MBE, MA, MPhil
Professor T H Clutton-Brock, ScD, FRS
S Halper, PhD
Professor E H Cooper, LittD, FBA
Professor T A J Cockerill, MA, MPhil (Leeds), PhD (Manchester)
Professor E Rothschild, CMG, MA
M Hughes, MB, BChir, PhD (deceased 10 August 2020)

Bye-Fellows

D Gaffney, MA (until 30 September 2020)
J Bodey, BA (until 30 September 2020)
O F R Haardt, PhD (from 1 October 2020)
Y P G Poon, MSc (from 1 October 2020 until 30 September 2021)
E Karayiannides, MPhil (from 1 October 2020 until 30 September 2021)
C Woodall, MA (from 1 October 2020 until 30 September 2021)

Visiting Fellows

There were no Visiting Fellows during the year

Honorary Fellows

HRH the Duke of Gloucester, KG, GCVO, MA
Professor Sir John Boardman, MA, FBA, Hon RA
Professor Sir David Hopwood, MA, PhD, DSc (Glasgow), FRS
A B Gascoigne, MA, FRSL
Professor H H Vendler, AB, PhD (Harvard), Hon Litt D
J C F-Simpson, CBE, MA, FRGS
Sir Colin Corness, MA
Professor Sir Richard Jolly, KCMG, MA, PhD (Yale)
Professor Sir John Gurdon, PhD, Hon ScD, Hon DSc (Oxon), FRS
D J H Murphy, MA
Professor D C Clary, ScD, FRS
The Rt Hon Lord Malloch Brown, KCMG, MA
R W H Cripps AM
The Rt Hon Lord (Igor) Judge, Kt, PC, MA
Sir Christopher Greenwood, GBE, CMG, QC, MA, LLM (until 30 September 2020)
The Rt Hon Sir Andrew Morritt, PC, CVO, MA
R H Vignoles, BA, BMus, ARCM, Hon RAM, Hon FRCM
The Hon Yan Lung Wong, SC, MA, JP
Khoon Hong Kuok, BA (Singapore)
D D Robinson, CBE, MA and MA (Yale), FSA, DL
Professor S Springman, CBE, PhD, FREng
C I von Christierson, MA
HRH Sultan Nazrin Shah, BA (Oxon), PhD (Harvard)
L L Cardozo Kindersley, MBE
Dame C A Duffy, DBE, BA (Liverpool)
A Tennant, BA, MIB
T Cripps, BA, MBA
The Rt Revd & Rt Hon the Lord Williams of Oystermouth, PC, DD, Hon DCL (Oxford), FBA
Professor the Lady Williams of Oystermouth, MA
M C Newell, BA
The Very Revd Dr D M Hoyle, MBE, MA, PhD
C B M Derham, MA
The Rt Hon Brenda Marjorie Hale, Baroness Hale of Richmond, DBE, PC, FBA

Fellow-Commoners

R L Skelton, MA
A I J Fitzsimons, Diplômée de l'ISIT (Paris)
J J Hellyer Jones, MA, FRCO
B Fried, MBA (Pennsylvania)
N Raymont, BSc (Econ), FCA
M R W Rands, BSc, DPhil (until 30 September 2020)
P J Marsh, MPhil, Honorary PhD (University of Central England)
R V Chartener, AB (Princeton), MPhil, MBA (Harvard)
C H Foord, MAAT, Assoc CIPD
A Ritchie, QC, MA
C V S Brasted-Pike, MA, MSci, PhD
G H Walker, MA, LRAM, PGDip (RAM)
H Critchlow, PhD
S Ravenscroft, PhD
J Woodall, MA (Oxon) (until 30 September 2020)
L Masuda-Nakagawa, PhD (Tokyo)
F Schuery, MA

MAGDALENE COLLEGE, CAMBRIDGE
PRINCIPAL OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 30 JUNE 2021

Address

Magdalene College
Cambridge
CB3 0AG

Officers

Master:	Sir Christopher Greenwood, GBE, CMG, QC, MA, LLM (from 1 October 2020)
President:	Dr M E Jane Hughes, MA, PhD (until 30 September 2021) Professor B J Burchell, MA and PhD (Warwick) (from 1 October 2021)
Senior Tutor:	Dr Stuart Martin, MA, PhD
Senior Bursar:	Mr Steven Morris, BA (Newcastle), FCA, IPFA
Development Director:	Mrs Corinne Lloyd, MA (Kent)

Professional Advisers

Auditors:	Peters Elworthy & Moore Salisbury House Station Road Cambridge CB1 2LA
Bankers:	Lloyds Bank 3 Sidney Street Cambridge CB2 3HQ
Property Managers: (Commercial)	Cheffins Commercial Clifton House 1-2 Clifton Road Cambridge CB1 7EA
Property Managers: (Agricultural)	Savills Olympic House Doddington Road Lincoln LN6 3SE
Securities Managers:	Baillie Gifford & Co Calton Square 1 Greenside Row Edinburgh EH1 3AN
Solicitors:	Ashtons Legal Chequers House 77-81 Newmarket Road Cambridge CB5 8EU

MAGDALENE COLLEGE, CAMBRIDGE
REPORT OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2021

The Governing Body of Magdalene College presents its Reports and Accounts for the year ended 30 June 2021.

STATUS

The College of Saint Mary Magdalene, one of 31 Colleges in the University of Cambridge, commonly called Magdalene College, was re-founded by Lord Audley of Walden in 1542. The 1542 Charter provides that the College is '*for the advancement of knowledge, arts, learning and virtue and for the advancement of moral studies in the University of Cambridge.*' The College became a registered charity on 18 August 2010. The Charity Commission of England and Wales is therefore the principal regulator for the College.

The College is a legally independent corporation within the collegiate University of Cambridge. A system of University-wide committees exists to plan and discuss the joint affairs of the collegiate University.

AIMS AND OBJECTIVES

The Governing Body has adopted a Strategic Plan to determine the future direction and size of the College. This plan identifies the priorities to be addressed to maintain and enhance teaching provision and the College's academic resources, and to provide appropriate residential and recreational amenities.

The College's charitable purpose as a place of religion, education, learning and research is clearly reflected by objectives in the Strategic Plan:

- to deliver a world-class undergraduate education by safeguarding the provision of small-group College-based supervision teaching;

- to maintain and develop a commitment for encouraging applications from the most talented students irrespective of social, ethnic and religious background in tandem with a needs-blind admission system supported by a comprehensive bursary programme; and

- to promote academic research of the highest quality.

GOVERNANCE

The Governing Body of the College comprises the Master and the Fellows (Classes A, B and C, if aged below 67 years) and they are *de facto* the trustees of the College. This body is constituted and regulated in accordance with the College Statutes (revised 1997) and is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets at least seven times a year under the chairmanship of the Master. The Presidents of the Middle Common Room (MCR) and the Junior Common Room (JCR) attend for unreserved business.

The Governing Body acknowledges its responsibility to act with prudence and care and to ensure the College complies with relevant laws and regulations. The Governing Body elects all Fellows of the College. Information is given to new Fellows regarding the College and how it is governed.

The principal committees of the Governing Body include the:

- Academic Committee; which establishes policy and monitors progress in respect of the College's main activities of education and research. The Committee meets five times a year and its membership is drawn from the Governing Body;

- Fellowship Committee; which advises on the recruitment and the retention of College Fellows including recommendations about individual elections. The Committee meets at least four times a year. Its membership, which is drawn from the Governing Body, reflects the range of academic disciplines;

- Finance & General Purposes Committee; which has responsibility for the oversight of the College's financial and administrative affairs and meets six times a year. Membership is drawn from the Governing Body;

- Investments Committee; which has oversight and sets policy for the College's endowment. The Committee meets three times a year and it includes external members with knowledge and experience of investments; and

- Development Committee; which oversees and sets policy for the College's alumni relations and fundraising programmes. The Committee meets at least three times a year and its membership is from the Governing Body and the wider Fellowship.

As secretary to the Governing Body, the Senior Bursar maintains a register of interests for members of the Governing Body. Declarations of interest are standing items on the agendas of the Governing Body and its principal committees. The Governing Body has established a Remuneration Committee, with a membership which is independent from it, to review and to advise on the benefits appertaining to Fellows. This Committee had no requirement to meet during the financial year given there were no changes affecting Fellows benefits during the year. The Committee's role is to review relevant policy proposals, review its own remit and then advise the Governing Body accordingly. In terms of the College's pay policy, including that of senior management, a formal triennial review against comparative roles is undertaken to benchmark pay and subsequent recommendations appertaining to Fellows / College Officers are made to the Remuneration Committee, which will advise the Governing Body accordingly. Additional disclosure on the salaries of Fellows of the College who form the trustee body is given in the Notes to the accounts.

The Master is the chairman of the trustees and has a duty to promote the welfare of the College and to ensure the College maintains an appropriate learning environment for its members. The President, as a senior fellow, supports the interests of the fellowship and acts as the vice-master. The Senior Tutor has day-to-day responsibility for the admission, education and welfare of undergraduate and postgraduate students and supporting the research activities of the College. The Governing Body appoints Admissions Tutors to support the Senior Tutor in the selection of suitable students for admission to the College. The Senior Bursar has responsibility for the estates, finance and administration of the College.

The College appoints a Director of Studies for each undergraduate and provides small group teaching in addition to the teaching provided by the University. The College also provides a Tutor for each student and access to other forms of pastoral care, including a Chaplain, Nurse and Counsellors. Together, the Dean and the Tutors have responsibility for maintaining standards of behaviour and good order in the College.

Members of the MCR and the JCR elect annually an executive committee to support and promote their welfare. The College makes grants to these student bodies, as well as to sports and cultural societies.

COVID-19 VIRUS: THE GLOBAL PANDEMIC

The Covid-19 virus, which has caused a global health pandemic resulting in several 'lockdowns', initially in March 2020, and then subsequently in December 2020 and until March 2021, has had a profound impact on the citizens of the UK. This has included the University of Cambridge and the constituent colleges of the collegiate University. The effect was immediate as the University and colleges closed all but essential operational buildings and transferred teaching and research online from March 2020 and for the remainder of that academic year. Most resident students, in accordance with government travel advice at that time, returned home whilst the University and colleges ensured all remaining resident students were permitted to stay in college accommodation and supported them accordingly.

The University has significantly contributed to the national effort to overcome the challenges presented by the virus through its research efforts to extend knowledge of the virus and by developing significant testing capacity. The clinical school and medical Fellows across the colleges were part of the clinical care effort during the first wave and the immediate months thereafter.

During the 'lockdown' periods the College has maintained its essential operational services, given it had significant numbers of students resident, whilst providing online teaching and examination assessment to all of its students wherever they were located. College staff have been otherwise sent home as part of the government's prevailing advice. As the lockdown measures have been steadily relaxed the College responded by returning its staff to work in College, whilst staff who were able to work from home have been working in a hybrid fashion.

Whilst the Michaelmas Term 2020 started with hope and a range of social, pastoral and in person teaching services, Covid-19 cases in the student population were numerous and this led to the curtailment of facilities and services in College and the wider University in order to contain the outbreak. The government then mandated a return to home

protocol for students for the Christmas vacation 2020 and then the majority of students were studying from home until Easter 2021.

The University and the colleges have worked collaboratively since the start of the pandemic with joint planning and subsequent recovery streams. This included sharing resources over student support, medical advice and scenario planning. The aim has been to protect and support the University's students and to provide a fair means of assessment in the absence of a normal examination process. A comprehensive plan for reopening the University was formulated in close consultation with the City Council and local Public Health agencies. The University and the colleges have together established a comprehensive weekly testing programme for resident students as a key tool to identify and prevent infections during the University terms. Participation rates amongst the student population have been high and generally students have acted in a highly responsible manner. The College established a senior officers' 'Gold' team from the outset of the pandemic to respond in a rapid manner to the issues arising from the pandemic.

The pandemic has had a significant financial impact on the College. The principal matters up to 30 June 2021 included the loss of student rental income following the departure of the majority of students during the lockdown phases and far lower commercial rental income for each quarter of the financial year. The value of the College's commercial property portfolio has also been adversely affected but substantially recovered from the low point in June 2020. Finally, revenues from conferences during the summer 2020 were negligible.

PROGRESS MADE DURING THE YEAR

The pandemic has had a highly disruptive influence on students and academics and college life in general. The College has had to adjust its plans and future intentions to direct its attention to the core activities of supporting its students. Financial support funds have not been reduced and indeed have been increased to help to support our students.

The College is always striving to improve its own academic standards and is active in promoting the wider collegiate University's standing in terms of teaching and research and the position of the colleges within it. The College aims to build upon its existing academic strengths by recruiting Fellows who are outstanding in their field of study and by admitting talented students.

The new Master Sir Christopher Greenwood took up his office in September 2020 and was warmly welcomed back to the College, and has since been leading the College through this difficult period.

Construction works on the College's New Library building were completed in February 2021, some six months later than anticipated due to the disruptive impact of the pandemic. Site operations recommenced in May 2020 following the first lockdown and a revised completion timetable agreed with the contractor. Although the construction period has exceeded two years the new facility provides a significant enhancement to the College's estate for its current and future members. Following its opening for use it has been necessary to restrict numbers of readers and their access at times in the new library in order to maintain a safe environment.

The success of the Future *Foundations* fundraising campaign has made the New Library possible and, thanks to extremely generous support from donors, the campaign has in fact exceeded the College's own expectations. The College has now exceeded the £25m total target when cash donations and future pledges are taken into account.

The Governing Body had previously decided to match, for its permanently employed staff, pay rates set by the Living Wage Foundation (outside of London), excluding other generous benefits provided to employees of the College. The College will continue to keep its pay policy under regular review, taking account of local and national recruitment conditions and requirements. The national lockdowns have led to the need for the College to require the vast majority of its staff to remain at home. Given the sudden financial loss of income and now spanning two financial years, the College, along with other Cambridge colleges, has participated in the government Coronavirus Job Retention Scheme. It did decide to top-up the salaries of all staff on furlough to 100% of their normal salary. At the height of the lockdowns the College had over two-thirds of its staff on the furlough scheme but since then staff have steadily returned to their roles in College. The income from this Job Retention Scheme is shown under Other Income within the accounts.

FINANCIAL REVIEW

Scope of Financial Statements

The financial statements include the accounts of Magdalene College and its subsidiary undertaking.

Sources of Funding

The principal sources of income of the College are:

- Students through fees charged for education provided
- The University through fees charged for education provided to its students
- Donors through grants for research
- Members and friends of the College through donations and bequests
- Students and Fellows through charges for goods, services and facilities provided
- Conference customers for goods, services and facilities provided
- Investment income from the accumulated endowment.

Results for the Year

The financial results for the year are given as follows:

	2021 £000	2020 £000	% Change
Total Income	10,561	19,749	-46.5%
Total Expenditure	(9,526)	(10,310)	-7.6%
Surplus before investment gains or changes to pension schemes	1,035	9,439	-89.0%
Gain/(loss) on investments	9,445	(3,548)	+166.2%
Actuarial (loss)/gain on pensions	653	(187)	+449.2%
Total Comprehensive Income	**11,133**	**5,704**	**+77.6%**

The College deems it prudent to plan for a modest recurrent surplus to provide stability and to allow for new funds for reinvestment.

Income

Overall income (before investment gains and actuarial pension changes) has decreased by 46.5% when compared to the previous year. This was due to receipt of capital donations for the New Library during 2019-20 given towards the 'Future *Foundations,* The Campaign for Magdalene' as well as the full year impact of the pandemic on the College's accommodation, conferences and commercial property revenues. It is, however, offset by the reversal of the capital losses on investment values measured at June 2020 if Comprehensive Income is compared year on year.

Income from academic fees and research income was higher than the previous year given more students were admitted and given that research income was slightly higher.

Income from College-provided accommodation and catering was £1,861k (£3,508k for 2019-20), a reduction of 46.9% on last year. Conference revenues were decimated due to the pandemic as the conference period is predominantly summer 2020. Whilst college member accommodation income was largely comparable to 2019-20, catering sales to members was much reduced during the extensive lockdown periods falling within the year. As stated above the College has participated in the government's job retention scheme and received £310k during this financial year.

Investment income decreased by 11.9% to £3,526k (£4,003k previous year). Whilst new endowment capital invested into securities combined with positive market returns has led to higher actual income, in anticipation of reduced future real investment returns the spending rate on a total return basis was reduced in 2020. Rental income from the commercial property estate substantially decreased (by 11.6%) due to the adverse impact of the pandemic on rents throughout the year. The portfolio has significant exposure to restaurant and retail tenants. Whilst it has been possible to re-let void units following the business failure of several restaurant groups it will take some years before the market recovers to pre-pandemic levels and consequently this income stream.

Total donation income was £1,657k (£8,870k 2019-20), representing a natural reduction as the fundraising campaign reached maturity during 2019-20.

Expenditure

Expenditure on education has slightly decreased to £4,454k (£4,610k previous year), which compares to £2,773k received (£2,604k previous year) directly from academic fees, providing a calculated deficit on educational activity of £1,681k (£2,006k previous year). This derives from a fall in teaching costs as teaching was largely online but offset to some extent by providing more scholarships and awards. Still expenditure on education accounts for 46.8% (previous year 44.7%) of total expenditure.

Expenditure on College-provided accommodation and catering decreased to £4,119k (£5,195k previous year) again due to minimal activity in the year due to Covid-19 related restrictions. Staff costs related to accommodation and catering and conferences decreased by over 20% in line with the massive curtailment of catering and conference activity.

Total staffing costs decreased in the year by 12%, amounting to £4,249k (£4,822k previous year) or 44.6% of total costs (46.8% the previous year). This reflects the large-scale disruption by the pandemic on normal college site based activities and the need to both cease or minimise the scale of services. The College continued to pay staff at 100% of salaries despite a significant proportion being unable to work and thus 'on furlough' as explained above. Towards the beginning of the financial year the College made no general pay award in line with the policy of the higher education sector for all employees, but with an amount given to staff on lower pay rates in accordance with the College's policy position to match the 'Real Living Wage' (outside of the London area).

The Governing Body remains concerned about the long term costs of providing defined benefit pensions, and whilst it has taken steps to try to limit future liabilities by ceasing to offer a defined benefit scheme to new non-academic staff, many current employees participate in a defined benefit salary scheme. There has been a decrease in the FRS 102 pension deficit, £1,878k (£2,628k 2019-20), with the deficits for CCFPS and USS schemes decreasing. The USS pension provision movement is included in Other Expenditure.

Depreciation costs for operational buildings remained similar at £1,349k (£1,347k previous year).

College net assets increased by £11.1m to £195.4m from £184.3m in 2019-20. As the construction phase of the New Library completed during the year, the costs associated with the build have been transferred to fixed assets. New donations received, principally for the New Library or for new endowment capital, were also added to net assets. Despite the longer-term economic uncertainty financial markets have seen a very positive year and therefore there has been an increase in valuations over the course of the year. This amounted to £11.9m for both investment portfolios within the endowment, and a partial reversal of the 2019-20 decrease in the capital value of commercial property.

Capital Expenditure and Maintenance

The College's operational assets, the largest asset class of the College, remain a financial pressure for the College. Capital expenditure (separate from building maintenance) for the year amounted to £5.7m. The College commissions a rolling five-year condition survey of its operational estate which informs its forward looking five-year maintenance plan. The maintenance programme is designed to maintain and improve the estate and additional resources have been allocated to it in recent years, recognising the need to increase investment in the long-term maintenance of its operational estate. The programme has had to be reviewed and partially restored as the College aims to recover from the pandemic.

Investment Policy and Performance

The College manages its investments in securities or its financial assets and property to produce the highest return consistent with the preservation of capital value in real terms for the long term and given the associated risks. The principal responsibility of the Governing Body in investing the College's endowment is to ensure the real value of the endowment is maintained after spending, consistent with the risk/return profile adopted and within a suitably diversified portfolio. The Governing Body expects, within the scope of this fiduciary duty, its fund managers to engage actively with companies to promote and support acceptable standards of practice in respect of their business activities and how they impact on their employees, the environment and the communities in which they operate. The Investments Committee undertakes an ongoing review of its responsible investment policy and made a substantive review of its policy during the year. The Governing Body approved a statement of investment principles, which clearly sets out the investment objectives, risk appetite and responsible investment policy, during the year. The purpose of the endowment is to preserve the real value after making distributions and inflation and to provide a steady reliable cashflow to support the college. The College expects its fund managers to integrate responsible investment approach and to align with the principles of the UN Compact.

The College holds securities based portfolio which was valued at £51.5m (£41.6m previous year). Its principal fund manager is Baillie Gifford (managing £46.3m in 2020-21 and £38m previous year). The College has a duty to maximise return from its investments, but it does so in a manner to be consistent with the College's charitable mission. The College also has direct property and agricultural land holdings (£40.9m in 2020-21). The direct property, which is managed by Cheffins, is held as a long-term strategic asset, with the policy of maximising yield, whilst the agricultural land is managed by Savills.

The Investments Committee agreed to reduce the total return policy from 3.25% to a 3.0% spending rule in 2020 which resulted in a drawdown (from capital and income) of £1,109k (£1,093k in 2019-20). The unapplied return fund provides a contingency sum in the event of falling values in financial markets and permits drawn down in adverse market conditions.

The College has been delighted with the performance of the Baillie Gifford responsible equity fund over the course of the year and during the period of the pandemic. The fund returned 23.3% against a market index of 25.1%. This performance was improved further by the performance of the multi-asset Baillie Gifford fund which returned14.6%. The responsible equity fund policy is to exclude certain sectors such as fossil fuel producers, thermal coal and tar sands, and the production or sale of alcohol, tobacco, armaments, and gambling. The fund also only invests with businesses which operate in a manner which is consistent with the UN's Global Compact Principles. The fund, therefore, has a strong engagement aspect to it and the fund manager sets broad engagement themes at the start of each year. The fund manager has been working with the College to develop a responsible variant of the multi asset fund, which is expected to be launched in 2022.

College endowment stood at £92.5m (£80.6m in the previous year). The property portfolio (the Cambridge properties), valued at £39.2m at the year end date, and returned 9.0% over the course of the year. This performance follows on from a difficult period early on in the pandemic and a subsequent recovery over the course of the year. The portfolio still has very few voids and has experienced a difficult disruptive period as several restaurant businesses failed and the retail sector was largely closed. The portfolio has significant retail and hospitality sector exposure and therefore experienced a challenging period but new tenants have emerged and units have been successfully re-let. It has, though, meant rent collection for the year has been difficult with tenants needing to close their premises due to lockdown restrictions.

Donations and Fundraising

Magdalene's primary fundraising efforts are directed at raising monies through major donations as well as by regular giving, to add to the College's endowment. Key objectives for the College include teaching, research and student support and in the short-term, the construction of a New Library, which now provides exceptional learning resources for the students. In 2017 an ambitious fundraising campaign was launched to raise £25m over a five-year period. The central themes being student support; the New Library; the restoration of the Pepys Library; and an improvement of the fabric of the College Estate. At this stage the College has achieved its campaign target of both cash donations and future pledges are combined, which is an excellent result.

The ongoing support of our Members, friends and the Fellowship is particularly welcome and appreciated during these trying economic times. Over the course of 2020-21, donations to the College exceeded expectations in the midst of the pandemic, and which led to another excellent year for the Campaign and the College is immensely grateful to its members and supporters. The costs of fundraising efforts were lower at £240k compared with £273k for 2019-20. The significant progress made with the campaign to-date is very pleasing and this acts as a sound basis for meeting the College's campaign objectives.

As a result of the pandemic, the College initially launched a new Emergency Fund aimed at raising new donations for its students and to support the operations of the College with donations being unrestricted in nature. This was further adapted to an unrestricted giving fund. The College has also decided to defer, for the time being, its plans to fundraise for the restoration of the Pepys building.

The College is registered with the Fundraising Regulator and continues to develop a shared understanding and agreement for activities concerning alumni, be it communications, attendance of events and use of data. The College has a Data Protection Statement which governs the use of any personal data held and how it is used and the College insists alumni grant their consent in holding personal data. The College did not engage professional fundraisers during the year and does not seek to raise funds from members of the public.

Reserves, Endowment Funds and Associated Policy

Total College reserves and funds amounted to £195.4m. Within the College's endowment funds there are almost 100 trust funds supporting the College in achieving its aims.

These reserves are represented by the College's operational estate and to a large extent, the permanent endowment assets and therefore are not available as income funds to be spent. Collectively the College's maintains its free revenue reserves and its earmarked designated reserves, after taking account of the pension deficit. These are liquid unrestricted funds. The Governing Body considers it prudent to hold sufficient unrestricted reserves and appropriate earmarked reserves in the event of major variations to the College's income and expenditure and has concluded that its general unrestricted free reserves should be 20% of annual income and that its building reserve should represent 1% of the insurable value of the operational estate. Together this amounts to £3.6m.

Unrestricted Reserves shown in the Balance sheet	£117.6m
Of which constitute fixed and heritage assets	£108.3m
Less pension provisions	£ 1.9m
Leaving unrestricted liquid reserves	£ 7.4m
Target Free Reserves in accordance with College Policy	£ 3.6m

After taking these specific funds into account and a specific building repairs fund for its commercial and operational property, the College has a sufficient level of general funds available as a contingency measure to support its operations during the pandemic.

Cash Flow and Treasury Management

The College's treasury management policy requires cash deposits to be spread across a range of counterparties, all of which must be at least Fitch A credit-rated. Net cash funds decreased by £6,151k, from £10,446k to £4,295k over the year, following expenditure on the final construction phase of the new library and investment of new endowment capital. Cash levels have reduced but still remain elevated as a result of the need to maintain liquidity given the uncertainty caused by the pandemic.

Going Concern

A statement in respect of the College and its financial sustainability is given in the Statement of Principal Accounting Policies and explains that the financial statements have been prepared on a going concern basis. The college plans ahead and prepares detailed budgets looking three years ahead and has undertaken some financial scenario planning. The college also holds a healthy level of liquid funds to meet unexpected demands or changes in income streams.

PRINCIPAL RISKS

The College maintains a Major Risks Register that identifies what it considers the major risks to which the College is exposed and their assessed impact and probability of occurrence. As outlined in the Governing Body's statement on Internal Controls the risk register is reviewed regularly by the principal College Officers and the Finance & General Purposes Committee, and then final consideration by the Governing Body. As far as is practical the College then takes additional measures to mitigate key risks and where appropriate insurance cover is put in place. Nevertheless, the College is exposed to a variety of risks. Presently the principal known risks include

- Significant harm to the reputation of the College as a constituent part of the collegiate university
- The long term impact of climate change and the need to transition to a low carbon campus with wide ranging sustainable policies
- The risk of cyber-attacks and unauthorised access to protected digital data
- Adverse performance of financial markets and the real economy which would in-turn impact on the College's endowment assets
- The causal effect of the global pandemic and consequential societal restrictions and the shorter term disruption to global supplies of goods, services and labour
- The cost of employee defined benefit pensions schemes
- Unexpected expenditure on building maintenance and rapid changes in inflation
- The impact of government policy on College income and individual student finances
- The strategic impact of government policy and any associated regulatory burden on College academic policy and governance arrangements
- Adverse events impacting on the College's academic standing of the college
- The fortunes of the local economy in terms of demand for commercial property in Cambridge
- The challenges of the local transportation system and its implications for recruitment and retention of employees
- The on-going impact on the economy and supply chains relating to Brexit and whether the trade agreement in place between the UK government and the EU, and especially both the shorter-term economic impact as well as the longer-term implications for the Higher Education sector on student/staff recruitment and on research partnerships

The global pandemic initially has taken the world by surprise and has had an immediate adverse impact on the College's finances through a fall in its income. Although this was unexpected and the 2020-21 academic year has been challenging and disruptive, the College has taken steps to manage the financial impact and has sufficient unrestricted liquid assets to fund revenue shortfalls over the coming years. The College has also, again in collaboration with the University and other colleges, planned a number of measures to provide a safe environment for its staff and students. Relevant new policies have been developed to reduce contact between individuals and limit any spread of the virus and thus any consequential operational impact.

The College through its own financial planning and operational management aims to mitigate the impact or set aside resources in the event of such risks taking place. The risk register is due to be reviewed. Across the collegiate university the University and the colleges work collectively to identify and manage common risks and share steps to manage known risks.

FINANCIAL OUTLOOK AND PLANS FOR THE FUTURE

The pandemic has led to a health and accompanying economic crisis for the UK. The recovery process though has started with vaccination levels across the population now mature which is permitting economic activity to broaden and deepen. However, uncertainty in respect of the impact of the virus on the economy is significant making longer term planning difficult. Central banks and governments across developed economies have lowered interest rates and provided significant fiscal and monetary measures to provide confidence and replace lost demand. Short-term falls in commodity prices have completely reversed and this coupled with resurgent economic demand is pushing inflation higher. Supply chain disruption is adding to price demand tensions which has been acute in the cost of supply to natural gas.

The pandemic has been, and is expected to continue to be, a challenge for the Higher Education sector, be it uncertainty over admissions by international students, loss of charitable research income, or loss of endowment income. Recovery though is well under way and the long term prospects remain positive.

The College set a deficit budget for 2020-21 and in 2021-22 due to the financial losses from Covid-19. Whilst significant cost reductions were made, additional resources have been planned in the budget as part of the recovery period. The level of uncertainty remains elevated and thus the College has significant liquidity funds in the event of adverse financial effects arising from the virus.

As the College uses its endowment to subsidise the costs of education and research, as well as the costs of accommodation and catering for its members, the performance of its investments continues to be central to the very long-term financial stability of the College. The longer term costs of defined benefit pension schemes are of concern and the financial predicament of USS is of particular concern and increased deficit recovery contributions expected in 2021-22.

A feasibility study for the Pepys Building's restoration has been undertaken, and following the appointment of architects, a pre-planning application has been submitted to the local authority. However, this project has had to be deferred due to the pandemic and no new financial commitments will be made until the wider financial position for the College is clearer.

More immediately much effort has gone into preparations for the new academic year ensuring the teaching and general College communal facilities and services are ready for returning students and compliant with government Covid regulations. It is expected to be a challenging period as infection rates from the virus continue to be high.

Approved by the Governing Body on 21 October 2021

C J Greenwood
Master

S J Morris
Senior Bursar

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF PUBLIC BENEFIT
YEAR ENDED 30 JUNE 2021

The Governing Body is satisfied that the activities as described in these reports and accounts meet the public benefit requirements of a registered charity and to its regulator the Charity Commission.

Objects

By maintaining an academic community of the Master, Fellows, Scholars and other students the College is fulfilling its charitable objects as a place of religion, education, learning and research within the University of Cambridge.

Education

The College provides an education for some 391 (2020: 375) undergraduate and 149 (2020: 132) postgraduate fee-paying students which is recognised internationally as being of the highest standard. The education develops students intellectually 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, bursaries, and individual or small-group supervision, as well as pastoral, administrative and academic support through its directors of studies and tutorial and postgraduate mentoring systems, thereby enabling students both to develop personally and intellectually and to proceed to degrees of the University of Cambridge (and in some cases other qualifications);

- specialist choral musical education for its choral students, including provision of choral and organ scholarships;

- a residential community with social, cultural, musical, recreational and sporting facilities that enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College; and

- accommodation and catering at reasonable rates.

Research

In the same way the College advances knowledge and learning through:

- supporting research work pursued by its Fellows through promoting interaction between them and across disciplines, and providing facilities and grants for attendance at national and international conferences and research trips, and other resources for research;

- providing Research Fellowships to outstanding academics in the early stages of their careers, which enable 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;

- providing Fellows and academic staff with study rooms;

- encouraging visits from outstanding academics from other institutions, with or without the provision of accommodation and meals at the common table; and

- encouraging the dissemination of research undertaken by members of the College through the publication of books, papers in academic journals, or other suitable means.

Libraries

The College Library provides a valuable resource for students and Fellows of the College. The College also maintains an Old Library for its members and members of other Colleges and the University of Cambridge more widely, and for external scholars and researchers.

The Pepys Library, which is a collection of international significance, provides an educational resource for academics, allows access to organised tours by local children and institutions, and is regularly open for visits by the general public.

Beneficiaries

The resident members of the College, both students and academic Fellows/staff, are the primary beneficiaries and are directly engaged in education, learning or research.

However, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions, and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities and take meals at the common table. The general public are also able to attend various educational activities in the College such as Open Garden exhibitions, and the College's educational festivals. Subject to certain reasonable restrictions, the grounds of the College are open to the general public on most days of the year without charge.

Admissions

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 Fellows and 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, Fellows and academic staff of the College are drawn from across the UK and internationally;

- whilst students of the College are predominantly between 18 and 24 years old, there are no age restrictions in the College's objects, and many postgraduate students are older than 24 years; 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 charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to postgraduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government); and

- A fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to student support.

Student Support

In order to assist undergraduates entitled to student support the College provides, through a scheme operated in common with the University and other Colleges (the Cambridge Bursary Scheme), bursary support for those of limited financial means. (For the academic year 2020-21, the number of awards made was 81, out of a Home/EU undergraduate population of 308; 57 of the awards were at the maximum value of £3,500; and the average value of the awards was £3,026.) The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement. Supplementing the Cambridge Bursary Scheme, the College is committed to raising funds to award an enhanced bursary to every undergraduate eligible for the scheme's maximum £3,500 award. During 2020-21 the College was able to support 55 undergraduate students through this enhanced bursary scheme and a further 34 first, second and third year undergraduates were assisted through the 'top-up' bursary trial scheme.

To support postgraduate students, the College provides substantial financial support. This includes several scholarships to fund fees and living costs and 'top-up' to fill shortfalls in students' funding packages. The College has also established a Postgraduate Research Fund to assist postgraduates with expenses associated with research conferences and activities, usually in conjunction with the University. Awards are based upon academic criteria as well as the financial position of students. During the year the College provided financial assistance amounting to £455k from these schemes.

The College also offers support to all students through a grant scheme to assist with academic materials, supporting the costs of related short courses (e.g. language studies), and attendance at conferences. These awards are given following an evaluation of the academic relevance and the financial means of the student. The College usually also provides a range of annual travel awards to provide opportunities to travel to complement academic study however, due to the pandemic all travel and vacation study grants have been suspended.
The Governing Body also approves annual prizes and scholarships for undergraduates obtaining outstanding examination success. In total £36.5k of scholarships and awards were granted to 117 students during the year.

Finally, the College operates a hardship scheme, which also partially contributes to the cost of the Cambridge Bursary Scheme, for all students in financial hardship and is actively campaigning to raise additional funds from its members. Awards are assessed by the student's Tutor and are based upon the specific financial situation of the student. The combined costs for these financial awards were £34k for the year.

Access

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying the College operates an outreach programme. This programme includes an extensive programme of visits to schools, annual outreach events outside College which schools are invited to attend, visits by schools to the College, open days, and admissions symposia for teachers, as well as guidance and information on the College website for prospective applicants.

In the year College Fellows, staff and existing students supported the access programme of events which led to contact with a number of prospective students. The College holds a series of outreach events each year however, due to the pandemic these activities were restricted to being provided online. In total the College spent £13.8k during the year directly on outreach programmes. With the easing of pandemic restrictions, the College is planning to reintroduce in-person outreach and residential events.

Religion

The College carries forward the tradition, 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 and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors;

- Maintains its choral tradition, which is integral to the provision of divine service in its Chapel, through the College's Choir;

- Supports, through the College Chaplain and through others, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none;

- Strives to maintain a College community which is socially cohesive and is supportive of its members from all faith backgrounds or none; and

- Maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron or joint Patron of 11 parishes.

There is no geographical, age or religious restriction on who may attend Chapel in the College and in practice those attending are highly varied and include those who do not follow the Christian faith. The pastoral services of the clergy of the College are available to all members of the College whatever their faith traditions or none.

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF INTERNAL CONTROL
YEAR ENDED 30 JUNE 2021

The Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes, the requirements of the Charity Commission and the Education Memorandum with the University of Cambridge.

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Governing Body meets regularly throughout the year to consider the progress being made by the College, the effectiveness of its policies and plans which support the strategic direction of the College
- The Governing Body receives relevant reports from its committees concerning its policies, the risks and any specific issues in connection with the system of internal control
- A College risk register is maintained and reviewed regularly
- A system of risk ranking is used to monitor risks and to highlight the principal risks
- Risks are assigned responsibility to College Officers and Heads of Departments of the College
- The Finance and General Purposes Committee undertakes a detailed annual review of the risk register and briefs the Governing Body accordingly.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work and advice of College Officers and Heads of Department, who have operational responsibility for the maintenance and development of the internal control system.

The Governing Body's review of the effectiveness of the system of internal control is also informed by the work of the external auditors, through their comments in the management letter and other reports.

MAGDALENE COLLEGE, CAMBRIDGE
RESPONSIBILITIES OF THE GOVERNING BODY
YEAR ENDED 30 JUNE 2021

The Governing Body 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's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body 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 Governing Body 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 Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are 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 Governing Body 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.

Opinion

We have audited the financial statements of Magdalene College, Cambridge (the 'College') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 16, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011 , the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;

- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

Use of our report

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

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House, Station Road, Cambridge CB1 2LA

22 October 2021

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

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 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

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

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

Going concern

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2021 year end up to financial year end 2023 using three different scenarios as part of a wider collegiate University financial planning exercise. The College has also set a detailed budget plan for the 2021-22 financial year and an outline budgets up to financial year end 2024. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans, demonstrate that the College has sufficient resources to meet liabilities as they fall due for a period of no less than 12 months from the date these financial statements are approved. The Governing Body, as the trustee body of the College, considers preparation of these financial statements using a going concern basis to be appropriate.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain operational land and buildings at deemed cost.

Basis of consolidation

The Consolidated Financial Statements include the College and its subsidiary undertaking, Cloverleaf Limited. Intra-group transactions are eliminated upon consolidation. The activities of student societies have not been consolidated. A separate balance sheet and related notes for the College only are not included because Cloverleaf Limited is a design and build company and therefore the balance sheet of the College would not be materially different to the one included in these accounts. Some details of the subsidiary undertaking are given in note 26.

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. The costs of any fees waived or written off by the College are included as expenditure.

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

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

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

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

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

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

Total return

The College invests its securities investment portfolio and allocates a proportion of the related earnings and capital appreciation to the income and expenditure account in accordance with the total return investment concept. The allocation to income is determined by a spending rule, currently 3.0%, which is designed to stabilise annual spending levels from the endowment. The income transferred to the consolidated Statement of Comprehensive Income and Expenditure on this total return basis is calculated by a formula that uses the weighted average value of the College's securities portfolio over a three-year period up to the commencement of the current accounting year. Details are given in note 3.

Investment income and change in value of investment assets

Investment income and any 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.

Cambridge Bursary Scheme

In 2020-21, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, 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 £115k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1):	£145k
Expenditure:	£260k

Pension schemes

The College participates in the Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College also contributes to the Cambridge Colleges Federated Pension Scheme, which is a similar defined benefit pension scheme. Unlike the Universities Superannuation Scheme, this scheme has surpluses and deficits directly

attributable to individual Colleges. Pension costs are accounted for over the period during which the College benefits from the employees' services.

Because of the mutual nature of the Church of England Funded Pension Scheme, the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period and expenses accrued in that year, plus any impact of deficit contributions. Since the College has entered into a 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 the resulting expense in the Statement of Comprehensive Income and Expenditure in accordance with Section 28 of FRS 102.

The College offers a defined contribution pension scheme for non-academic staff. For staff employed before 1 April 2014 this was the Cambridge Colleges Group Pension Scheme. For staff employed after that date it is the NOW: Pensions Scheme. The assets of both those defined contribution schemes are held separately from those of the College. The annual contributions payable are charged to the Statement of Comprehensive Income and Expenditure.

Tangible fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold operational buildings are depreciated on a straight line basis over their expected useful lives as follows:

the structure between 41 and 100 years
the internal fit-out between 15 and 35 years
the mechanical and electrical services between 10 and 35 years

Buildings under the course of construction are valued at cost, based on the value of architects' certificates and any other direct costs incurred. They are not depreciated until they are brought into use. The cost of additions to operational property shown in the balance sheet includes the cost of land.

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.

Maintenance of premises
The College has a five year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is shown in the consolidated Statement of Comprehensive Income and Expenditure as it is incurred. The cost of major refurbishment and maintenance which restores or improves value is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs, these being disclosed within unrestricted reserves.

Equipment
Equipment costing less than £5,000 per individual item or group of related items is written off in the year of purchase. All other equipment is capitalised and depreciated over their expected useful life as follows:

Furniture and equipment	10 years
Energy regeneration	20 years
Library books	15 years
Information technology	3 or 5 years
Specialist software	10 years
Catering & conference equipment	5, 10 or 20 years

Where equipment is acquired with the aid of specific bequests or donations it is capitalised and depreciated. The related benefactions are credited to income in the year it arises.

Heritage assets
The College holds and conserves two book collections which are of historical and cultural importance. The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. During the year ended 30 June 2021, the College was gifted artworks of cultural importance. The College commissioned an expert valuation on the artworks and as such the assets have been capitalised and this has been taken as the deemed cost. 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 fair value on 30 June each year, except for investments in the subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.

Direct property
Investment properties are included at fair valuation and the aggregate surplus or deficit is transferred to Unrestricted Reserves. A formal valuation is performed at least every 5 years. For commercial property holdings, a formal valuation is currently undertaken every year and this year was carried out by Cheffins, Chartered Surveyors, as at 30 June 2021. The last formal valuation for agricultural land was carried out by FPD Savills as at 30 June 2018.

Stocks

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

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.

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party

to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

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

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

Foreign currency translation

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

Taxation

The College is a registered charity (number 1138143) 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 to 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 the 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 as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

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 estimates and judgements

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

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

Income recognition
Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. 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 8a.

Investment property
Properties are revalued to their fair value at the reporting date by the College's Property Agent, Cheffins. Any valuation is based on the assumptions and judgements which are influenced by a variety of factors including market and other economic changes.

Pensions

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Governing Body is satisfied that the scheme provided by USS and the Church of England Funded Pension Scheme meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
YEAR ENDED 30 JUNE 2021

		2021				2020			
	Note	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	2,984	145	-	3,129	2,693	133	-	2,826
Accommodation, catering and conferences	2	1,861	-	-	1,861	3,508	-	-	3,508
Investment income	3	2,282	8	1,236	3,526	2,693	70	1,240	4,003
Endowment return transferred	3	345	764	(1,109)	-	372	721	(1,093)	-
Other income		363	25	-	388	511	31	-	542
Total income before donations and endowments		7,835	942	127	8,904	9,777	955	147	10,879
Donations		439	492	-	931	391	1,201	-	1,592
New endowments		-	-	290	290	-	-	1,050	1,050
Other donations for assets		10	426	-	436	99	6,129	-	6,228
Total income		8,284	1,860	417	10,561	10,267	8,285	1,197	19,749
Expenditure									
Education	4	3,458	996	-	4,454	3,616	994	-	4,610
Accommodation, catering and conferences	5	4,104	15	-	4119	5,180	15	-	5,195
Investment management costs	3	61	-	164	225	71	-	128	199
Other expenditure		689	25	-	714	167	107	-	274
Contribution under Statute G, II		14	-	-	14	32	-	-	32
Total expenditure	6	8,326	1,036	164	9,526	9,066	1,116	128	10,310
Surplus/(deficit) before other gains / losses		(42)	824	253	1,035	1,201	7,169	1,069	9,439
Gain/(loss) on investments		274	415	8,756	9,445	37	70	(3,655)	(3,548)
Surplus/(deficit) for the year		232	1,239	9,009	10,480	1,238	7,239	(2,586)	5,891
Other comprehensive income									
Actuarial (loss)/gain in respect of pension schemes	15	653	-	-	653	(187)	-	-	(187)
Total comprehensive income for the year		885	1,239	9,009	11,133	1,051	7,239	(2,586)	5,704

The notes on pages 35 to 53 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED 30 JUNE 2021

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2020	112,879	10,404	60,977	184,260
Surplus/(Deficit) from income and expenditure statement	232	1,239	9,009	10,480
Other comprehensive income	653	-	-	653
Release of capital funds spent in year	4,801	(4,801)	-	-
Transfers	(991)	8	983	-
Balance at 30 June 2021	117,574	6,850	70,969	195,393

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	**Total**
	£000	**£000**	**£000**	**£000**
Balance at 1 July 2019	106,543	9,394	62,619	178,556
Surplus/(Deficit) from income and expenditure statement	1,238	7,239	(2,586)	5,891
Other comprehensive income	(187)	-	-	(187)
Release of capital funds spent in year	6,349	(6,349)	-	-
Transfers	(1,064)	120	944	-
Balance at 30 June 2020	112,879	10,404	60,977	184,260

The notes on pages 35 to 53 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED BALANCE SHEET
YEAR ENDED 30 JUNE 2021

	Note	2021 £000	2020 £000
Non-current assets			
Fixed assets	8a	108,262	103,905
Heritage Assets	8b	109	99
Investments	9	92,474	80,593
		200,845	184,597
Current assets			
Stocks	10	195	209
Trade and other receivables	11	1,790	2,175
Cash and cash equivalents	12	4,295	10,446
		6,280	12,830
Creditors: amounts falling due within one year	13	(2,970)	(3,433)
Net current assets		3,310	9,397
Creditors: amounts falling due after more than one year	14	(6,884)	(7,106)
Provisions			
Pension provisions	15	(1,878)	(2,628)
Total net assets		195,393	184,260
Restricted reserves			
Income and expenditure reserve - endowment reserve	16	70,969	60,977
Income and expenditure reserve - restricted reserve	17	6,850	10,404
		77,819	71,381
Unrestricted reserves			
Income and expenditure reserve - unrestricted		117,574	112,879
Total reserves		195,393	184,260

These financial statements were approved by the Governing Body on 21 October 2021 and are signed on their behalf by:

C J Greenwood
Master

S J Morris
Senior Bursar

The notes on pages 35 to 53 form part of these accounts

MAGDALENE COLLEGE, CAMBRIDGE
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2021

	Note	2021 £000	2020 £000
Net cash inflow from operating activities	18	(835)	5,623
Cash flows from investing activities	19	(4,627)	(3,664)
Cash flows from financing activities	20	(689)	(704)
Increase in cash and cash equivalents in the year		(6,151)	1,353
Cash and cash equivalents at beginning of the year		10,446	9,191
Cash and cash equivalents at end of the year	12	4,295	10,446

The notes on pages 35 to 53 form part of these accounts

1. Academic fees and charges

	2021 £000	2020 £000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,423	1,343
Fee income received at the Unregulated Undergraduate rate	783	771
Fee income received at the Postgraduate rate	567	490
Research income	211	89
Cambridge Bursary scheme	145	133
Total	3,129	2,826

2. Income from accommodation, catering and conferences

		2021 £000	2020 £000
Accommodation	College members	1,627	1,592
	Conferences	59	767
Catering	College members	174	565
	Conferences	1	584
Total		1,861	3,508

3. Endowment return and investment income

	2021 £000	2020 £000
3a. Analysis		
Total return contribution (see note 3b)	1,109	1,093
Income from:		
Freehold land and buildings	2,275	2,659
Unit Trust Scheme	-	-
Cash Deposits	14	104
Total	3,398	3,856

3b. Summary of total return

	2021 £000	2020 £000
Income from:		
Quoted and other securities and cash	1,236	1,240
Gains on endowment assets:		
Quoted and other securities and cash	7,655	956
Investment management costs (see note 3c)	(164)	(128)
Total return for year	8,727	2,068
Total return transferred to income and expenditure reserve (see note 3a)	(1,109)	(1,093)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	7,618	975
Unapplied total return at beginning of year	15,008	14,033
Unapplied total return at end of year	22,626	15,008

3c. Investment management costs

	2021 £000	2020 £000
Quoted security – equities	-	-
Pooled investments	164	128
Fixed interest securities	-	-
Investment management costs included within note 3b	164	128
Freehold Land and Buildings	61	71
Total	225	199

4. Education expenditure

	2021 £000	2020 £000
Teaching	1,690	1,840
Tutorial	555	596
Admissions	484	584
Research	630	660
Scholarships and awards	865	690
Other educational facilities	230	240
Total (note 6)	4,454	4,610

5. Accommodation, catering and conferences expenditure

		2021 £000	2020 £000
Accommodation	College members	2,827	2,249
	Conferences	264	1,031
Catering	College members	742	984
	Conferences	286	931
Total (note 6)		4,119	5,195

6a. Analysis of 2020/21 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,217	1,976	261	4,454
Accommodation, catering and conferences (note 5)	1,797	1,238	1,084	4,119
Investment management costs (note 3c)	-	225	-	225
Other expenditure	235	475	4	714
Contribution under Statute G, II	-	14	-	14
	4,249	3,928	1,349	9,526

Expenditure includes fundraising costs of £240k. This expenditure does not include the costs of alumni relations.

6b. Analysis of 2019/20 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education (note 4)	2,249	2,099	262	4,610
Accommodation, catering and conferences (note 5)	2,301	1,804	1,090	5,195
Investment management costs (note 3c)	-	199	-	199
Other expenditure	272	(3)	5	274
Contribution under Statute G, II	-	32	-	32
	4,822	4,131	1,357	10,310

Expenditure includes fundraising costs of £273k. This expenditure does not include the costs of alumni relations.

6c. Auditors remuneration

	2021 £000	2020 £000
Other operating expenses include:		
Audit fees payable to College's external auditors	23	22

7. Staff

	Academic 2021 £000	Non-academics 2021 £000	Total 2021 £000	Total 2020 £000
Staff Costs				
Salaries	952	2,604	3,556	4,080
National Insurance	79	216	295	329
Pension costs (note 24)	152	246	398	413
	1,183	3,066	4,249	4,822

Average staff numbers (full-time equivalents)	Average staff number 2021		Average staff number 2020	
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	59		57	
Non-academics	3	92	4	98
	62	92	61	98

At the Balance Sheet date there were 43 members of the Governing Body. During the year the number receiving remuneration was 39 who are included in the 62 remunerated Fellows shown above.

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

	2021 Number	2020 Number
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£120,001 - £130,000	-	-
£130,001 - £140,000	1	-
£140,001 - £150,000	-	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

	Total 2021 £000	Total 2020 £000
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel of the College are therefore the trustees. 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.	866	894

Aggregated remuneration

The Trustees received no remuneration in their capacity as Trustees of the Charity, these payments relate to their capacity as College Officers.

8a. Fixed assets

	Freehold Land £000	Buildings £000	Assets under the course of construction £000	Furniture and Equipment £000	Energy Regeneration £000	Library Books £000	Information Technology £000	Motor Vehicles £000	Total £000
Original cost/valuation									
At beginning of year	40,020	58,265	12,237	1,352	75	173	350	17	112,489
Additions at cost		99	5,586	7	-	14	9	-	5,715
Disposals	-	-	-	(14)	-	(15)	(19)	(7)	(55)
Reclassification		17,823	(17,823)	-	-	-	-	-	-
At end of year	40,020	76,187	-	1,345	75	172	340	10	118,149
Depreciation									
At beginning of year	-	7,336	-	849	17	75	298	9	8,584
Charge for the year	-	1,248	-	67	3	11	19	1	1,349
Eliminated on disposals	-	-	-	(6)	-	(13)	(20)	(7)	(46)
At end of year	-	8,584	-	910	20	73	297	3	9,887
Net book value									
At end of year	40,020	67,603	-	435	55	99	43	7	108,262
At beginning of year	40,020	50,929	12,237	503	58	98	53	7	103,905

The insured value of freehold land and buildings at 30 June 2021 was £150,039k (2020: £125,159k).

8b. Fixed assets (continued)

Heritage assets

The College holds and conserves two book collections which are of historical and cultural importance. These comprise the Pepys Library and the Old Library, which provide a valuable research and educational resource. In respect of these collections, the College's practice is to preserve, conserve and manage the items in its care; to augment the collections where appropriate and within the limited resources available; to enable and encourage access to and use of the collections for teaching and research; and to enable access to and engagement with the Pepys library collection of books by members of the public.

The College holds and conserves a collection of artwork that is of cultural importance. In respect of this collection, the College's practice is to preserve, conserve and manage the items in its care; to augment the collection where appropriate and within the limited resources available; to enable and encourage access to and use of the collection for teaching and research; and to enable access to and engagement with the College's collections by members of the public.

The majority of assets held in the College's collections were acquired before 1st July 1999 and, because reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. During the year ended 30th June 2021, the College was gifted artworks of cultural importance. The College commissioned an expert valuation on the artworks and as such the assets have been capitalised and this has been taken as the deemed cost. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

	2021 Total £000	2021 Total £000
Balance at beginning of year	99	-
Acquisitions gifted	10	99
Total cost of acquisitions	10	99
At end of year	109	99

9. Investments

	2021 Total £000	2020 Total £000
Balance at beginning of year	80,593	82,883
Additions	2,473	1,105
Disposals proceeds	-	-
Appreciation on revaluation	9,445	(3,548)
Increase in cash balances held at fund managers	(37)	153
Balance at end of year	92,474	80,593
Represented by:		
Property	40,924	39,001
Unit Trust Scheme	3,807	3,231
Quoted securities - Equities	-	-
Other investments	47,743	38,330
Cash held for reinvestment	-	31
	92,474	80,593

Investments held by the College also include an additional £1 (2020: £1) investment in the subsidiary company at cost (see note 26).

10. Stocks

	2021 £000	2020 £000
Goods for resale:		
Catering	26	37
Fellows Wine	159	159
Merchandise	10	13
	195	209

11. Trade and other receivables

	2021 £000	2020 £000
Members of the College	82	51
Rents	1,030	685
Conferences	1	4
Other receivables	677	1,435
	1,790	2,175

12. Cash and cash equivalents

	2021 £000	2020 £000
Short-term deposits	-	1,420
Bank deposits	1,640	1,630
Current accounts	2,654	7,395
Cash in hand	1	1
	4,295	10,446

13. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Bank loans	470	470
Due to tradesmen and others	815	1,355
University fees	4	60
Advance deposits - students	373	258
Caution money	195	182
Contribution to Colleges Fund	23	32
Other creditors	152	120
Accruals and deferred income	839	825
Deferred research income	99	131
	2,970	3,433

14. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Bank loans	6,345	6,815
Fee deposits	539	291
	6,884	7,106

15. Pension provisions

	CEFPS £000	CCFPS £000	USS £000	2021 £000	2020 £000
Balance at beginning of year	6	2,033	589	2,628	3,089
Movement in the year					
Current service cost including life assurance	-	22	194	216	(323)
Contributions	(3)	(66)	(278)	(347)	(376)
Other finance (income)/cost	-	29	4	33	61
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	-	(653)	-	(653)	187
Remaining change in balance sheet liability recognised in SoCIE	1		-	1	(10)
Balance at end of year	4	1,365	509	1,878	2,628

16. Endowment funds

Restricted net assets relating to endowments are as follows:

Consolidated	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2021 Total £000	2020 Total £000
Balance at beginning of year				
Capital	24,843	36,134	60,977	62,619
New donations and endowments	289	1	290	1,050
Fund transfers	983	-	983	944
Increase/(decrease) in market value of investments	4,831	3,888	8,719	(3,636)
Balance at end of year	30,946	40,023	70,969	60,977
Analysis by type of purpose				
Fellowships	11,092	-	11,092	9,206
Student Hardship and Bursaries	6,080	-	6,080	4,813
Postgraduate Scholarships	5,898	-	5,898	4,848
Undergraduate Scholarships and Prizes	1,543	-	1,543	1,600
Travel Awards	342	-	342	289
Music, Chapel and Choir	424	-	424	357
Student Sports and Culture	979	-	979	832
Library Funds	3,599	-	3,599	2,056
Other Funds	989	-	989	842
Corporate Capital	-	40,023	40,023	36,134
	30,946	40,023	70,969	60,977
Analysis by asset				
Property	-	40,791	40,791	39,001
Less Bank loan	-	(6,815)	(6,815)	(7,285)
Securities	30,946	6,014	36,960	28,795
Cash	-	33	33	466
	30,946	40,023	70,969	60,977

Fund transfers during the year to restricted permanent endowments of £983k comprise £1m unrestricted legacy received in 2017/18 to form a permanent endowment for the New College Library. The balance of £17k relates to a prior year donation initially being treated as a permanent endowment, but subsequently, and according with the donor's revised wishes, has been divided between permanent endowment and restricted expendable endowment (see also note 17).

17. Restricted Reserves

Reserves with restrictions are as follows:

Consolidated	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2021 Total £000	2020 Total £000
Balance at beginning of year					
Capital	4,377	-	3,849	8,226	7,387
Accumulated income	-	2,178	-	2,178	2,007
	4,377	2,178	3,849	10,404	9,394
New donations	426	-	492	918	7,330
Fund transfer	2	3	13	18	(50)
Endowment return transferred	-	704	60	764	721
Other income	2	170	6	178	234
Increase/(decrease) in market value of investments	-	-	415	415	70
Transfers	3	(13)	-	(10)	170
Release of capital funds spent in year	(4,801)	-	-	(4,801)	(6,349)
Expenditure	-	(416)	(620)	(1,036)	(1,116)
Balance at end of year	9	2,626	4,215	6,850	10,404
Capital	9	-	4,215	4,224	8,226
Accumulated income	-	2,626	-	2,626	2,178
	9	2,626	4,215	6,850	10,404
Analysis of other restricted funds/donations by type of purpose					
Fellowships	-	841	1,934	2,775	2,344
Student Hardship and Bursaries	-	1,166	170	1,336	978
Postgraduate Scholarships	-	273	411	684	630
Undergraduate Scholarships and Prizes	-	144	737	881	694
Travel Awards	-	49	68	117	116
Music, Chapel and Choir	-	48	-	48	43
Student Sports and Culture	-	33	2	35	27
Library Funds	-	70	14	84	55
New Library Funds	9	-	-	9	4,377
Other Funds	-	2	879	881	1,140
	9	2,626	4,215	6,850	10,404

18. Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2021 £000	2020 £000
Surplus for the year	10,480	5,891
Adjustment for non-cash items		
Depreciation	1,358	1,357
Investment income	1	(2)
(Increase) in stocks	14	(15)
(Increase) in trade and other receivables	385	(11)
Increase in creditors	(214)	(629)
Movement in pension deficit	(97)	(648)
(Gain)/loss on investment	(9,445)	3,548
Donated Heritage Assets	(10)	(99)
Adjustment for investing or financing activities		
Investment income	(3,526)	(4,003)
Interest paid	219	234
Net cash inflow from operating activities	(835)	5,623

19. Cash flows from investing activities

	2021 £000	2020 £000
Investment income	3,526	4,003
Endowment funds invested	(2,438)	(1,255)
Payments made to acquire non-current assets	(5,715)	(6,412)
Total cash flows from investing activities	(4,627)	(3,664)

20. Cash flows from financing activities

	2021 £000	2020 £000
Interest paid	(219)	(234)
Repayments of amounts borrowed	(470)	(470)
Total cash flows from financing activities	(689)	(704)

21. Consolidated reconciliation and analysis of net debt

	At July 2020	Cash Flows	Acquisitions & Disposal of subsidiaries	New finance leases	Other non-cash changes	Changes in market value and exchange rates	At 30 June 2021
	£000	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	10,446	(6,151)	-	-	-	-	4,295
Borrowings: amounts falling due within one year							
Unsecured loans	(470)		-	-	-	-	(470)
Bank overdraft	-	-	-	-	-	-	-
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(470)		-	-	-	-	(470)
Borrowings: Amounts falling due after more than one year							
Unsecured loans	(6,815)	470	-	-	-	-	(6,345)
Obligations under finance leases	-	-	-	-	-	-	-
Derivatives	-	-	-	-	-	-	-
	(6,815)	470	-	-	-	-	(6,345)
	3,161	(5,681)	-	-	-	-	(2,520)

22. Financial Instruments

	2021 £000	2020 £000
Financial assets		
Financial assets that are equity instruments measure at cost less impairment		
Other investments	51,549	41,561
Financial assets that are debt instruments measure at amortised cost		
Cash and cash equivalents	4,295	10,476
Other debtors	1,663	1,042
Financial liabilities		
Financial liabilities measure at amortised cost		
Loans	6,815	7,285
Trade creditors	815	1,355
Other Creditors	1,286	943

23. Capital commitments

	2021 £000	2020 £000
Capital commitments at 30 June are as follows:		
Authorised and contracted	-	5,581

24. Pension Schemes

The College participates in three defined benefit schemes and two defined contribution schemes. The defined benefit schemes are the Universities Superannuation Scheme (USS), the Cambridge Colleges' Federated Pension Scheme (CCFPS) and the Church of England Funded Pensions Scheme (CEFPS). The defined contribution schemes are the NOW: Pensions scheme and the Cambridge Colleges Group Pension Scheme. The details of the schemes are as follows:

Universities Superannuation Scheme

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. The valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 14 October 2021. As the new valuation had not been completed by 30 June 2021, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022. See note 27 for details of the changes.

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018 valuation
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post-retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

24. Pension Schemes continued

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	2.59%
Pension increases (CPI)	2.5%	4.2%

Cambridge Colleges' Federated Pension Scheme

The College is a member of the Cambridge Colleges' Federated Pension Scheme which is a defined benefits plan.

The liabilities of the plan have been calculated, at 30 June 2021, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions 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:

	2021 % p.a.	2020 % p.a.
Discount rate	1.80	1.45
Increase in salaries	3.10	2.70
Retail Prices Index (RPI) assumption	3.40	3.10
Consumer Prices Index (CPI) assumption	2.60	2.20
Pension Increases in payment (CPI Max 2.5% p.a.)	1.95	1.80

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.7 years (previously 25.6 years).

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

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

24. Pension Schemes continued

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.

The amounts recognised in the balance sheet as at 30 June 2021 (with comparative figures as at 30 June 2020) are as follows:

	2021	2020
	£	£
Present value of plan liabilities	(8,101,861)	(8,581,688)
Market value of plan assets	6,736,394	6,548,515
Net defined benefit asset/(liability)	**(1,365,467)**	**(2,033,173)**

The amounts to be recognised in profit and loss for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Current service cost	8,511	14,430
Administrative expenses	13,562	13,562
Interest on net defined benefit (asset)/liability	29,631	41,828
Loss/(gain) on plan changes	-	-
Total	**51,704**	**69,820**

Changes in the present value of the plan liabilities for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Present value of plan liabilities at beginning of period	8,581,688	8,065,689
Current service cost	8,511	14,430
Employee contributions	401	1,153
Benefits paid	(366,944)	(223,205)
Interest on plan liabilities	121,784	179,160
Actuarial losses/(gains)	(243,579)	544,461
Loss/(gain) on plan changes	-	-
Present value of plan liabilities at end of period	**8,101,861**	**8,581,688**

Changes in the fair value of the plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Market value of plan assets at beginning of period	6,548,515	6,217,173
Contributions paid by the College	66,022	72,405
Employee Contributions	401	1,153
Benefits paid	(366,944)	(223,205)
Administrative expenses paid	(20,659)	(20,275)
Interest on plan assets	92,153	137,332
Return on assets, less interest included in Profit & Loss	416,906	363,932
Market value of plan assets at end of period	**6,736,394**	**6,548,515**
Actual return on plan assets	509,059	501,264

24. Pension Schemes continued

The major categories of plan assets for the year ending 30 June 2021 (with comparative figures at 30 June 2020) are as follows:

	2021	2020
Equities	48%	49%
Bonds & Cash	42%	41%
Property	10%	10%
Total	**100%**	**100%**

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Return on assets, less interest included in Profit & Loss	416,906	363,932
Expected less actual plan expenses	(7,097)	(6,713)
Experience gains and losses arising on plan liabilities	104,648	202,282
Changes in assumptions underlying the present value of plan liabilities	138,931	(746,743)
Remeasurement of net defined benefit liability recognised in OCI	**653,388**	**(187,242)**

Movement in net defined benefit asset/(liability) during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Net defined asset/(liability) at beginning of year	(2,033,173)	(1,848,516)
Recognised in Profit and Loss	(51,704)	(69,820)
Contributions paid by the College	66,022	72,405
Remeasurement of net defined benefit liability recognised in OCI	653,388	(187,242)
Net defined benefit asset/(liability) at end of year	**(1,365,467)**	**(2,033,173)**

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 actuarial valuation are different to those adopted under FRS102.

The last such actuarial 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 £48,974 per annum payable for the period to 30 June 2021.

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

24. Pension Schemes continued

Other Pension Schemes

The College participates in three other pension schemes:

NOW: Pensions

The College appointed NOW: Pensions to provide its workplace pension scheme for its non-academic staff from 1 April 2014. NOW: Pensions provides a defined contribution scheme which invests employer and employee contributions to provide a member specific fund that will be converted into pension on the member's retirement. There were contributions of £20k (2020: £19k) outstanding as at the year end due to NOW: Pensions.

Cambridge Colleges Group Personal Pension Scheme

The College offered a defined contribution pension scheme to its non-academic staff until April 2014. The pension cost for this scheme represents contributions payable by the College, plus the set-up costs. There were contributions of £nil (2020: £3k) outstanding as at the year end due to the Cambridge Colleges Group Personal Pension Scheme.

Church of England Funded Pensions Scheme

Magdalene College (Cambridge) 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 Board, 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 FRS 102. 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.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption:

- An average discount rate of 3.2% p.a.;
- Increase in pensionable stipends of 3.4% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 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..

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are set out in the table below.

% of pensionable stipends	Jan-18 to Dec-20	Jan-21 to Dec-22
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025. As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

24. Pension Schemes continued

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	6,000	19,000
Deficit contribution paid	(3,000)	(3,000)
Remaining change to the balance sheet liability* (recognised in SOCIE)	1,000	(10,000)
Balance sheet liability at 31 December	4,000	6,000

* 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 set by reference to the duration of the deficit recovery payments:

	Dec-20	Dec-19	Dec-18
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, Magdalene College (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

The total pension cost, after personal health insurance contributions, for the year to 30 June (see note 7) was as follows:

	2021	2020
	£000	£000
USS: Contributions	250	278
CCFPS: Charged to SOCIE	6	8
Other Schemes	142	127
	398	413

25. Related Party Transactions

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

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

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

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

25. Related Party Transactions continued

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

		2021	2020
From	To		
£1	£10,000	23	25
£10,001	£20,000	7	5
£20,001	£30,000	2	2
£30,001	£40,000	2	-
£40,001	£50,000	1	3
£50,001	£60,000	-	-
£60,001	£70,000	1	1
£70,001	£80,000	1	1
£80,001	£90,000	1	1
£90,001	£100,000	-	-
£100,001	£110,000	1	1
	Total	39	39

The total Trustee salaries were £697k for the year (2020: £699k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £185k for the year (2020 £194k).

The College has one trading subsidiary, Cloverleaf Limited, which are consolidated into these accounts. Cloverleaf Limited is 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 grouped companies that are related parties.

26. Principal subsidiary and associated undertakings and other significant investments

	Cost £	Class of shares	Holding
Cloverleaf Limited	1	Ordinary	100%

The principal activity of the above company is the development of the grounds and buildings of Magdalene College, Cambridge. This company is included in these consolidated financial statements.

27. Post balance sheet event – non-adjusting

Since the year end, following completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £841k in the provision for the obligation to fund the deficit on the USS pension which would instead be £1,350k. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different Schedule of Contributions would become applicable. If this were to happen then there would be an increase of £1,714k in the provision for the obligation to fund the deficit on the USS pension which would instead be £2,223k.