



Lucy Cavendish College
University of Cambridge

Annual Report and Accounts

**For the Financial Year Ending
30th June 2023**



Contents

Description	Pages
Members of the Governing Body	2
Reference and Administrative Details	4
Report of the Governing Body	5
Corporate Governance	21
Responsibilities of the Trustees	23
Report of the Auditors	24
Statement of Principal Accounting Policies	27
Consolidated Statement of Comprehensive Income and Expenditure	36
Consolidated Statement of Changes in Reserves	37
Consolidated and College Balance sheet	38
Consolidated Cashflow Statement	39
Notes to the Accounts	40

Members of Governing Body during the year to 30 June 2023

President	Madeleine Atkins PHD DBE CBE FASS
Alireza	Patricia, PHD DSC, Senior Scientist, Cavendish Laboratory
Bahn	Professor Sabine MD PHD MRCPsych, Professor, Bahn Laboratory, University of Cambridge
Baikie	Tomi, Director of Studies, Physics and NanoDTC Translational Prize Fellow, Cavendish Laboratory from 1 October 2022
Baker	Renan, DPhil, Affiliated Lecturer and British Academy Research Fellow, Faculty of History; Tutor, Lucy Cavendish College
Becque	Jurgen, PHD, University Lecturer in Structural Mechanics in Engineering
Blakesley	Jennifer, BSc, Director, Careers Service, University of Cambridge
Bullmore	Professor Ed, Professor of Psychiatry, University of Cambridge
Cameron	Professor Ruth MA PHD FIMMM FINSTP CPhys, Professor, Materials Science and Metallurgy, University of Cambridge; Research Mentor in the Sciences, Lucy Cavendish College
Clare	Isabel Clare Huntingdon, BSc MPhil PHD, Affiliated Assistant Professor (Research), Clinical School, University of Cambridge, Tutor, Lucy Cavendish College
Cordonier-Segger	Professor Marie Claire, LLB BCL MEM DPhil PHD, Affiliated Fellow of the Centre and Leverhulme Trust Visiting Professor with the Bennett Institute for Public Policy, the Centre for Environment, Energy and Natural Resources Governance (C-EENRG) and other partners
Cotta	Bruno, BEng, MBA, Visiting Fellow and Honorary Ambassador, Cambridge Judge Business School
Daffern	The Rev'd Canon Adrian, BA MA MTh FRCO FRSA, Church of England Cathedrals and Major Churches Officer; Tutor, Lucy Cavendish College
Fan	Xin PhD, Teaching Associate in Modern Chinese History, Faculty of Asian and Middle Eastern Studies, University of Cambridge, from 1 October 2022
Fistein	Dr Elizabeth, Medical Member of the First Tier Tribunal (Mental Health); the School of Clinical Medicine Ethics and Law Lead for the courses in Clinical Medicine, Tutor, Lucy Cavendish College
Fowell	Mr Christopher, BDS MFDS MBChB FRC, Consultant, Oral and Maxillofacial Surgery, Cambridge University Hospitals NHS Foundation Trust.
Freer	Alexander, BA, MPhil, PHD, College Assistant Professor in English, Lucy Cavendish College
Gilbey	Julian, PhD, Researcher in image processing, Department of Applied Mathematics and Theoretical Physics, University of Cambridge
Git	Anna, MSc PHD, Independent Senior Research Associate, Department of Biochemistry, University of Cambridge; Tutor, Lucy Cavendish College
Goodall	Jane, BSc PHD, Senior Research Associate in the School of Clinical Medicine, University of Cambridge and Tutor, Lucy Cavendish College
Greatorex	Jane Suzette BTEC FMLS PHD, Honorary Research Scientist, Public Health England; Senior Tutor, Lucy Cavendish College
Gonzalez	JohnHenry (Hank), PHD, University Assistant Professor in Caribbean History, University of Cambridge
Haque	Nooman, MBA, Partner, Sofinnova Partners
Hendriks	Professor Henriette PHD, Professor in Language Acquisition and Cognition, Faculty of MMLL, Lucy Cavendish College; Vice-President and Research Mentor in the Arts
Houghton	Margaret Christine BA MA, Domestic Bursar and Wine Steward, Lucy Cavendish College
Hughes	Sophie, Assistant Senior Tutor: Pastoral, Lucy Cavendish College from 1 September 2022
Jones	Derek, Chief Executive, Babraham Bioscience Technologies
Keller	Katie, BM MA, CGCM course tutor appointed by the Clinical Schools

King	Mark, MA MPHIL PHD PGCE, Admissions Director and Assistant Senior Tutor: Academic from 1 October 2022
Lloyd	Richard, MMUS PHD MBIE MSC PHD FRCPATH Human Anatomy Centre Manager, Department of Physiology, Development and Neuroscience, University of Cambridge
Macdonald	Chris PhD, Head of Communications and Marketing and Sustainability Engagement Lead, Lucy Cavendish College from 1 October 2022
Murphy	Mary PHD, Undergraduate and MPhil supervisor in Education, University of Cambridge; Tutor, Lucy Cavendish College
Mysoor	Poorna LLB LLM DPHIL, College Teaching Officer in Law
Nelson	Howard, PHD, Lecturer in Conservation Leadership, Fauna & Flora International, Tutor, Lucy Cavendish College; Acting Vice-President, Lucy Cavendish College from 1 April 2023
Nugent	Eileen Mary BSC MPHIL DPHIL, Tutor, Lucy Cavendish College
Ottewell	Karen, MA MPHIL EDD PHD MCIL FRSA, Director of Academic Development & Training for International Students, Language Centre, University of Cambridge; Tutor, Lucy Cavendish College
Quie	Marissa, PHD, Research Associate, Department of Sociology, University of Cambridge
Ryan	Joanna BSC, Development Director, Lucy Cavendish College
Saddington	Liam PhD, Teaching Associate in Human Geography, Department of Geography, University of Cambridge from 1 October 2022
Sparkes	Dr Matthew, MA PHD, Assistant Professor, Department of Sociology, University of Cambridge
Stott	Professor Neil, MST DPROF, Faculty (Professor-level) in Management Practice, Co-Director of the Cambridge Centre for Social Innovation; Director of the Master of Studies in Social Innovation Programme, JBS
Strack	Franziska, Newton Trust Career Development Fellow in Politics of the Environment, POLIS, College Teaching Associateship, Lucy Cavendish College from 1 October 2022.
Su	Lin PhD, Leverhulme Early Career Fellow, Department of Chemistry, University of Cambridge from 23 November 2022
Sutliff Sanders	Joe, MA PHD University Associate Professor in Education, University of Cambridge
Talmi	Deborah, MA PHD, University Assistant Professor in Psychology, University of Cambridge
Thompson	Lesley Margaret MA FCA, Bursar, Lucy Cavendish College
Tonkin	Suzanne, Librarian, Lucy Cavendish College
Vinnicombe	Alison Annette BA MA Dip RSA, Dean, Praelector, Registrar, Steward, Secretary to Council and Secretary to Governing Body, Lucy Cavendish College
Wain	Helen BENG MA, Assistant Director, Head of Group Procurement, University of Cambridge; Director of Southern Universities Management Services to 31 July 2022
Wilson	Dr Shona BSC PHD, Research Group Leader, Division of Microbiology and Parasitology, Department of Pathology, University of Cambridge, Tutor, Lucy Cavendish College
You	Vivian Wei Man MA MB BCHIR MRCP, Joint Course Director CGCM,

Reference and Administrative Detail

Lucy Cavendish College

Lady Margaret Road
Cambridge
CB3 0BU

Charity Registration Number: 1137875

Charity Trustees

See list on previous page.

Senior Officers

President: Professor Dame Madeleine Atkins PhD DBE CBE FASS

Vice-President: Professor Henriette Hendriks PhD

Senior Tutor: Dr Jane Greated BTEC FMLS PhD

Bursar: Mr Tony McNiff LLB FCILT FCA

Principal Advisers

Actuaries:

Cartwright Group
Mill Pool House
Mill Lane, Godalming
Surrey GU7 1EY

Auditors:

Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge CB4 0WZ

Securities Managers:

Evelyn Partners
45 Gresham Street
London EC2V 7BG

Property Valuers & Consultants:

Bidwells
Stonecross
Trumpington High Street
Cambridge CB2 9SU

Bankers:

Barclays Bank
9-11 St Andrews Street
Cambridge CB2 3AA

Securities Managers:

UBS Wealth Management (UK)
Ltd
Tennyson House
1 Curzon Street
London W1J 5UB

Report of the Governing Body

Introduction

Lucy Cavendish College was founded in 1965 as a Collegiate Society. Initially a graduate Foundation, it admitted its first undergraduates in 1972. It became an Approved Foundation of the University of Cambridge in 1984. In 1997 it was incorporated by Royal Charter and achieved full college status as a college for women over the age of 21 who were matriculated into the University as full-time undergraduates or as part-time or full-time postgraduates. The College is an autonomous, self-governing community of scholars and one of the 31 colleges within the University of Cambridge. It is a registered charity (number 1137875) regulated by the Charity Commission and its registered office is Lucy Cavendish College, Lady Margaret Road, Cambridge CB3 0BU. In conjunction with the University, the College provides an education of the highest quality through small group teaching, academic supervision, library, careers guidance, computing and cultural facilities, meals and living accommodation, with appropriate support for students in personal or financial need.

In March 2019 the Governing Body decided that the College should grow substantially to c.1,000 students maintaining a majority of postgraduate students; that from October 2021 the College would admit standard-age (generally 18+) students of any gender; and that in line with its historical DNA and mission its UK student body would, uniquely in Cambridge, become broadly representative of our national society. At postgraduate level, the College would become the 'go-to' destination for students pursuing interdisciplinary advanced learning or research, focused on the complex issues facing humankind and our planet as described in the UN Sustainable Development Goals (UN SDGs). It would also seek to increase the number of full or partial scholarships offered to international Masters students from non-traditional backgrounds or under-served communities.

Following the late changes in the way A Level results were calculated in summer 2020, resulting in an increased number of undergraduate offer-holders meeting their Cambridge offer, Trustees agreed to advance acceptance of 18 years + women in October 2020. Since the academic year 2021/22 around 50% of the new undergraduate intake has been made up of men. Fellowship, post-doctoral and research positions are open to all applicants regardless of their gender.

The College is primarily situated on a site just north-west of central Cambridge bounded by Madingley Road and Lady Margaret Road. Until 2021 it was based around three converted 19th century villas together with newer, purpose-built facilities including student accommodation, porters' lodge, library, teaching rooms, dining hall, gym and other common spaces. To support its planned growth, during 2020/21 one of the 19th century villas (Barrmore) was demolished to allow for the construction of a major new building which was completed in August 2022. This new building provides 72 ensuite rooms, informal learning spaces and a large new café. The new building has a deliberate focus on environmental sustainability being some 70% more energy efficient than the building it replaced despite accommodating many more students and providing much-needed additional facilities. The development was funded by a £16m loan facility from the University of Cambridge of which £11.3m had been drawn down as at 30 June 2023. Including this new building there is now onsite accommodation for 151 students with a further 92 rooms (including 10 flats) owned by the College near its main site, primarily at its student centre at 100 Histon Road which was opened in 2014. The College also rents a further 216 nearby rooms and flats from St John's College and St Edmund's College. Finally, in order to provide additional accommodation to meet the increase in students admitted, the College rented 90 rooms from a private student accommodation provider, Collegiate, at its Castle Street building – a very short walk from the College's main site.

Aims and Objectives of the College

The principal **objects** of the College, as set out in its Charter, are:

- to advance education, religion, learning and research in the University.
- to provide for persons who shall be members of the University a College wherein they may work for Degrees of the University or may carry out postgraduate or other special studies at Cambridge provided that no member of the College or any candidate for membership thereof shall be subject to any test of a religious, racial, political or social character.

The College delivers these objectives by provision of the following:

- Teaching facilities and individual or small-group teaching (supervisions), as well as pastoral, administrative and academic support through its tutorial (pastoral) and graduate mentoring systems;
- Bridging programmes for new students both at undergraduate and postgraduate level to ensure that they start their course and time at Cambridge as well prepared as possible academically and personally;
- Co-curricular programmes available to all students throughout their course in well-being, academic skills development, careers and enterprise;
- Social, cultural, musical, meditational, recreational and sporting facilities and programmes;
- A community in which students from a wide diversity of backgrounds can feel genuinely included and valued, while being supported to achieve their educational, career and personal development ambitions.

The College advances research through:

- Providing Research Fellowships to outstanding academics at 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 research, teaching and administrative duties of an academic post;
- Supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing stipends or grants;
- Offering College membership to up to 40 postdoctoral associates each year and supporting them to with a programme of seminars, talks, a mentoring scheme, professional/leadership training and networking events;
- Encouraging short residential visits from outstanding academics from abroad who are pursuing a research agenda that supports or strengthens that of our Fellows; and
- Encouraging the dissemination of research undertaken by members of the College in publication of books and papers in academic journals or other suitable means.

Public benefit

The Trustees of the College have considered the Charity Commission's guidance on the operation of public benefit under the Charities Acts 2011 and 2022 and consider that the requirements have been met under the Charity's objects and activities. A full statement of the public benefit provided by the College has been lodged with the Charity Commission.

In summary, the College provides, in conjunction with the University of Cambridge, an education which is recognised internationally as being of the highest standard for some 800 students with plans to increase this number to around 1,000 by 2025. This education develops students academically, supports their career ambitions and promotes their leadership skills. On graduation from the College, they are enabled to play enhanced and effective executive roles for the benefit of society around the world. This world-class

education is provided to students who have the highest academic potential whatever their financial means or religious, racial, political or social background. Indeed, the College actively seeks applications from groups currently underrepresented in Cambridge and has developed a unique on-line programme, the Academic Attainment Programme, to support improved academic attainment within its c.160 partner schools. This programme offers students a year of academic enrichment and support in making competitive applications to universities that are difficult to access. It offers this opportunity, free, to c.700 sixth formers each year. The College participates in the University's Foundation Year Programme and will be welcoming five students for the next academic year as part of our new cohort.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research. The President and Fellows of the College receive a number of benefits as beneficiaries comprising small research, book or travel grants etc. These benefits are provided with the intention of furthering the College's aims, primarily that of advancing research. Some meals are also provided to the President, Fellows and staff of the College up to a set allowance. The amounts of the benefits provided are objectively reasonable when measured against the academic benefits made available to other beneficiaries of the College.

Beneficiaries also include students and academic staff from other colleges in Cambridge and from Cambridge University more widely together with visiting academic staff and students from other higher education institutions.

In addition, the wider public has access to the College through several series of events, talks and seminars, many now held on-line and disseminated further through blogs on the main College website and via social media channels.

The College hosts an increasingly important annual national prize for fiction, the Lucy Cavendish Fiction Prize, open to women novelists over the age of 21 years who have not yet been published. It is sponsored by the literary agency PFD. In this its 13th year the Prize attracted over 500 high quality entrants. The winner was Sarah Harman with her novel: *The Dirtbag Detective*. The Prize continues to be very successful in launching literary careers with a number of shortlisted writers again seeing commercial success during the year. This prize sits alongside a number of student writing prizes and initiatives under the umbrella of the College's Writing Centre.

The College participates from time to time in public schemes such as Open Cambridge and the National Open Gardens scheme.

Scope of the financial statements

The consolidated financial statements cover all the activities of Lucy Cavendish College and its subsidiary companies, Lucy Cavendish Trading Ltd and Lucy Cavendish Estates Development Ltd

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA) which complies with the 2019 Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education). This SORP reflects the changes to UK Generally Accepted Accounting Practice (GAAP) following the issue of the revised Financial Reporting Standard (FRS) 102 which came into effect for financial years beginning on or after 1 January 2019

The commentary that follows is intended to give the readers of the financial statements an overview of the finances and operations of the College.

Operational Context

Implementing the College's expansion and development

The College has continued to develop and implement its plans following its decision to become a standard age, mixed college from October 2021. In recent years it has more than doubled the size of its student body in support of its mission to provide significantly more opportunities for talented students from groups who are traditionally under-represented at Cambridge and for those whose advanced learning and research address key 21st century problems. Lucy Cavendish continues to be the only college currently at Cambridge prepared to grow at scale and pace and to align its own evolving mission with the University's priorities. As at the date of this report the demographic of the College's UK Student intake for 2023/24 was 90.9% from maintained sector schools making this the second successive year in which we have had an intake that was over 90% state school. We remain the only Cambridge College to cross this important threshold. Other headline figures from the UK cohort include:

- 36.7% Index of Multiple Deprivation IMD (35.5% in 2022)
- 16.3% Free School Meals eligible (10% in 2022)
- 52% from 'least advantaged' backgrounds (56% in 2022)
- 45% non-white ethnic groups (41% in 2022)

These statistics taken in combination, fully justify the College's claim to have the most diverse, inclusive and representative student population of any Cambridge college.

As noted in the Introduction, a considerable programme of estates development has been achieved with the completion of the new building at the Lady Margaret Road site in August 2022. The building provides 72 study bedrooms and a large new café/social space which encourages and supports informal learning. The building is designed to Passivhaus standards and is 70% more energy efficient than the building it replaces as well as providing six times more study bedrooms.

The intent behind our Estates Strategy is that the Lady Margaret Road site will predominantly cater for our first-year undergraduates given its outstanding central location. Other undergraduates will, where possible, be housed in accommodation nearby. Our postgraduates are housed principally in purpose-built student accommodation near the College.

The planned growth in student numbers and the major estates developments have necessitated the development of a financial model to assess the likely financial outcomes of different scenarios and sensitivities including a range of downside risks. This is updated regularly to reflect actual financial outcomes. The model shows that the College will continue to achieve financial sustainability over the period (30 years) covered by the model.

Summary Financial Results

The following section of this Report details the main features of the Financial Results.

The financial picture in the last year has been positive with income rising in line with planned increases in student numbers, bringing further volume increases in fees, rents and charges. Our conference income in the year to 30 June 2023 began its recovery from the impact of Covid. Once again, thanks to the hard work of our Development Team and the wonderful generosity of our donors, we have had another good year for donations. Despite the ill-effects of global events such as the war in Ukraine, the value of our investment portfolio at the year-end was £18.7m, up from £17.7m in June 2022.

Once again, the Colleges' Fund Committee agreed that its grant to colleges could be used to defray operating expenditure rather than being required to be invested as endowment and the College was granted £1.147m from this source.

The total surplus (increase in consolidated net assets) of the College for the year was £3.6m (21/22: £732k), comprising an unrestricted surplus of £2.082m (21/22 surplus of £902k); a restricted surplus of £769k (20/21 surplus of £2.129m); and a surplus of endowment Income of £700k (20/21 deficit of £2.299m), primarily arising from a gain on investments of £1.111m (21/22 loss of £2.477m). As explained above, the position on the unrestricted surplus was enhanced by the agreed use of the annual Colleges' Fund grant of £1.147m (21/22 £1.203m) for operational expenditure rather than its normal allocation to endowment and by unrestricted donations of £676k.

Funding

Total income before gains on investments and on pension schemes was £13.2m (21/22: £11.8m). The College's main sources of income are academic fees £4.6m (21/22: £3.3m), accommodation, catering & conferences £4.8m (21/22: £3.2m) and donations & endowments of £3.1m (21/22: £4.8m)

Income	2022/23		2021/22	
	£'000	%	£'000	%
Students: college fees	4,109	31%	2,912	25%
Cambridge Bursaries	464	4%	383	3%
Accommodation & catering	4,406	33%	3,100	26%
Conference accommodation & catering	434	3%	90	1%
Investment income	297	2%	385	3%
Donations and endowments	3,127	24%	4,781	40%
Other income	357	3%	164	1%
Total	13,194	100%	11,815	100%

Expenditure

Total expenditure was £10.7m (21/22: £8.6m), comprising staff costs £3.9m (21/22: £3.6m), other operating expenditure £6.0m (21/22: £4.3m) and the balance being depreciation of £0.8m (21/22: £0.7m). This expenditure is primarily allocated to Education £4.8m (21/22: £3.9m), and Accommodation, catering and conferences £5.6m (21/22: £4.3m).

At 30 June 2023 the value of the endowment was £13.7m (21/22: £13.0m), while the College's overall investments totaled £18.7m (21/22: £17.7m), mainly invested in the College's amalgamated investment portfolio. Overall consolidated net assets were £50.3m (21/22: £46.8m).

As the full costs of education are not met by Academic Fees and Charges, donations and return on endowment are critical elements to bridge this gap in all Cambridge colleges. However, colleges differ enormously in the size of their endowment and hence the return available from it. An arrangement exists for the better-endowed colleges to support those colleges with smaller endowments through the Colleges' Fund. As a college with one of the smallest endowments, Lucy Cavendish College is regularly a beneficiary of this scheme and in this year received £1.1m by way of a grant and this is included in donations and endowment income above (£1.2m in 21/22).

Achievements and performance

Academic and College Community

In 22/23 the College had 791 fee-paying (total 845 including 'exempt') students from all walks of life and from all over the world (21/22 639 and 678).

Many of the College Fellows achieved noteworthy success during the year with some brief edited highlights as follows:

Dr Jurgen Becque, Director of Studies in Engineering, won the ASCE Moisseiff Award for providing approximate yet highly accurate solutions to the Föppl-von Karman equations. These equations describe the stability of compressed plates and have many practical applications but have been unresolved for more than a century. The award by the American Society of Civil Engineers (ASCE) recognizes substantial advances in the field of structural mechanics and design.

Professor Neil Stott Management Practice Professor of Social Innovation, director of the Master of Studies in Social Innovation Programme and Co-Director of the Cambridge Centre for Social Innovation was a panelist for the Australian Mission to the UN's event *Action for Peacekeeping: The Utility of Social Innovation as a Framework for Improving Operational Effectiveness*, held in New York.

Dr Deborah Talmi, Director of Studies in Psychology received a generous grant from the Economic and Social Research Council (ESRC) for a project titled 'A critical test of the dual-representation account of PTSD', in collaboration with Professor Rik Henson from the University's MRC Cognition and Brain Sciences Unit and Professor Emily Holmes from Uppsala University, Sweden. Their research aims to reconcile an important theoretical gap in advancing the understanding of PTSD.

Professor Benedikt Loewe, Director of Studies in Mathematics and Bye Fellow has been elected to the Academia Europaea, a non-governmental association which exists to advance and propagate excellence in scholarship in all academic disciplines, as a member in the Class 'Humanities', Section 'Philosophy, Theology and Religious Studies' with additional affiliation to Class 'Exact Sciences', Section 'Mathematics'.

Membership of the Academy is by invitation only and follows a rigorous peer review selection process. Scientists and scholars of international distinction are elected in recognition of their academic excellence and include leading experts from all academic areas. The Academy works to promote European research, advise governments and international organisations in scientific matters, and further interdisciplinary and international research.

Dr Suhail Dhawan, Research Fellow had a lead investigator programme accepted on the James Webb Space Telescope (JWST). Titled *First look at high redshift Type Ia supernova cores: Nebular observations of lensed SN Zwicky*. Dr Dhawan's programme aims to study the inner core of a Type Ia supernova, with a lookback time of 4 billion years, to understand its progenitor from the presence of forbidden lines of iron-group elements in its spectrum, a year after the explosion.

Rihab Khalid, Research Fellow helped organise an Energy Policy workshop, as part of the Energy-SHINES project she is co-leading with researchers from the Global Sustainability Institute at Anglia Ruskin University. The workshop brought together women doctoral researchers in the energy Social Sciences and Humanities (SSH) from across the UK to engage with some of the UK's largest organisations (including the NHS, the Royal Institute of British Architects (RIBA), Cambridge City Council, Yorkshire Water, and the Department for Business, Energy and Industrial Strategy (BEIS)) to tackle their challenge of transitioning to net-zero.

We congratulate all these Fellows and the many others who won competitive grants for their research, established research, networks or international research projects, and who published books or articles in prestigious journals over the course of the year.

Admissions, Widening Participation and Diversity

The 2022-23 admissions round has seen Lucy Cavendish College continue its recent track record of admitting a highly able and highly diverse cohort of students. Despite the return of pre-pandemic grade boundaries resulting in the highest academic attrition among offer-holders that we have experienced since adopting our new admissions policy in 2020-21, the College will be admitting 132 new undergraduates this autumn, with a further 11 students on the Graduate Course in Medicine. Once again over 90% of our UK intake will be from maintained sector schools and we will have high percentages of students from disadvantaged, underrepresented and non-traditional backgrounds. Indeed, as is now usual for Lucy Cavendish, we will significantly exceed the Oxford and Cambridge average proportions of students from regions of low participation in Higher Education and regions of significant socioeconomic disadvantage. We are also pleased to have increased the international diversity of our undergraduate student body this year and we will be admitting students from countries as varied as Peru, the Maldives, Romania, Ukraine and Japan. Given the challenges many of our students have overcome to win their place at Cambridge, it is even more remarkable that they come with such high grades: once again this year our STEM students will average over three A*s achieved at A-level, whilst our arts, humanities and social sciences students have achieved on average 2.1 A*s.

We are also on track to admit a record postgraduate intake this year of around 320 full-time and 70 part-time students from over 50 countries on over 120 different courses. Many of these students are only able to study because of significant financial support from the University, their department or the College, and we continue to raise money for new scholarships aimed at programmes related to the UN Sustainable Development Goals, along with others which target international students from deprived backgrounds. We are very grateful to our benefactors and legators who have enabled these exceptional students to study and research at the highest level here in Cambridge.

The College outreach programmes have also gone from strength to strength this year and, following the first round of applications to the University by students who have participated in the College's flagship Academic Attainment Programme, we are able to report that students on the programme have, on average, a 42% chance of success when applying to Cambridge. Further evaluation will follow once all data from this round has been received, but the College already looks to have created possibly the most successful outreach programme in the history of the University! As ever, this would not have been possible without the support of our generous donors who fund the programme, particularly the Isaac Newton Trust, to whom we are incredibly grateful.

Student Support

It is not of course sufficient merely to seek, attract and admit talented students from under-represented groups in society. Once at Cambridge, they need to be supported to achieve their academic potential, their personal and professional development, and their career aims. Too often there is a gap between the outcomes on these measures between those from non-traditional backgrounds and their more socially and economically privileged peers, especially at Cambridge. It is for this reason that the College invests heavily in its three principal student support programmes: Academic Skills, Pastoral Support and Careers and Enterprise. Developments in the Academic Skills Programme have included a wholesale move for the forthcoming year to a more intensive, 1:1 model of student support, with additional skills tutors being recruited to offer specialist support in key areas. Meanwhile, in another first for any Cambridge College, the Pastoral Team has been significantly expanded with the recruitment of a specialist practitioner to diagnose and support students with special educational needs. Finally, data collected throughout the year shows that Lucy Cavendish students are amongst the most engaged with the University's careers support, no doubt partially as a result of the College's supplementary programmes.

In order to assist undergraduates entitled to student support, the College provides, through a scheme operated in common with the University and other Colleges, bursaries (the Cambridge Bursary) for those with limited financial means. Students over 25 years of age at the start of their course are automatically considered for an enhanced award as are students who were in receipt of Free School Meals. In addition, the College actively provides other awards and bursaries to its undergraduate and postgraduate students comprising £464k in 2022/23, compared with £397k in 2021/22. We are grateful to our donors who regularly contribute to these scholarship and hardship funds.

Fundraising activities

The College is registered with the Fundraising Regulator. It does not use external professional fundraisers or commercial participators and carries out fundraising activities, primarily through its Development Office, in collaboration with the offices of Cambridge University Development and Alumni Relations and Cambridge in America as appropriate. In addition to seeking financial and other support for the College, the Development Office is also responsible for broader alumni relations.

The Lucy Cavendish Foundation Board in the UK and a North American sub-committee, provide strategic advice and support on major fundraising initiatives as prioritised and agreed by the Governing Body. All members are volunteers. The Board is focused on potential high net worth donors with the capacity to make substantial or transformational gifts to the College.

The three major priorities are: augmenting the endowment of the College; gifts and donations to fund buildings and facilities in the Estates Master Plan; and scholarships, for both UK and international students from low-income backgrounds who wish to study programmes focused on the United Nations Sustainable Development Goals.

Methods for soliciting gifts include face-to-face meetings (including via Zoom), the promotion of legacy giving, direct mailings, giving through social media in the form of 'Giving Week' community appeals (on an 18-monthly basis – no community appeals were held in 2022-23) and opportunities for online giving via the website. The College also makes use of challenge funding and match funding initiatives wherever possible.

There is a clear statement on the College's website regarding use of data for alumni and fundraising purposes. No mass solicitation takes place without prior notification and opportunities to opt out easily feature prominently in forms of communication. Donor segmentation (categorising donors into groups based on shared demographic characteristics and previous engagement) is performed to ensure targeted and appropriate fundraising communications and these do not exceed four requests per year. Due consideration is given to whether potential donors might be considered vulnerable and if so, they are removed from any form of solicitation.

There have been no formal complaints made about fundraising during the 2022-23 academic year, nor in the previous year.

Financial Review

Income

Further detail regarding the different sources of income is given below:

Academic Fees and Charges - £4.573m (£3.295m) 39% increase

The College charges:

- fees at externally regulated rates to undergraduates entitled to student support with those undergraduate fees generally being paid by loan funding through arrangements approved by the Government.
- fees determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to student support.

The College receives a proportion of the fees charged by the University to postgraduate students based on a full time equivalent per capita allocation.

Overall student numbers in the College rose again significantly during the year and total fee income also rose, though the amount received also depends on the mix of students. In 2022/23, including visiting and Foundation Year students, there were 358 (21/22: 265) undergraduates and 433 (21/22: 374) fee-paying postgraduates, of whom 123 (21/22: 99) were part time. A further 54 (21/22: 39) postgraduate students were exempt from paying fees.

Also included under this heading is income received relating to the Cambridge Bursary scheme. The amount received increased by 21% as it relates to the number of students in any year eligible to receive it. This income is offset by expenditure on the scheme which also increased.

Accommodation, catering and conference income - £4.840m (£3.190m) 52% increase

This heading covers income received from students and from conference guests. The amounts received reflect both volume and charges.

The College charges accommodation, meal and service charges at reasonable rates to its students. Income related to these areas increased by 42%. This increase resulted from greater student numbers and additional accommodation provided.

The income derived from conferences has historically been critical for the College's finances and significant efforts are made to fill rooms and provide a good service to guests so that the College's ongoing costs are covered, particularly during vacation periods. As a result of COVID, from March 2020 onwards almost no conference activity was possible but during this financial year conference business began to return. Income received from conference accommodation and catering charges was £434k compared with only £90k in 2021/22 but this compared with income from conferences of £650k in 19/20 (the first year to be affected by Covid) and £726k in 18/19.

Details of expenditure on all these areas is given later in this report.

Investment income - £297k (£385k) 23% decrease; and endowment return transferred £498k (£503k) 1% decrease.

Investment income represents dividend and interest receipts.

The Governing Body Fellows are the Trustees of the College, governed under the Trustee Act 2000. Their investment powers are defined in Statute 38 of the College's Statutes and they have overall responsibility over the College's investments. Governing Body has responsibility for approving investment objectives, agreeing risk and return targets, performance benchmarks and the investment manager structure. The Governing Body delegates the detailed aspects of the oversight of the investment arrangements to the Finance & Investment Committee who in turn appoint investment managers to be responsible for day-to-day management of the investments in accordance with agreed guidelines. Overall, the financial objective of the Fund is to maintain at least the real value of the assets whilst generating a stable and sustainable return to help fund the college's operations each year. To this end, a diversified portfolio with a strategic asset allocation including most or all of UK and Overseas Equities, Bonds, Cash, Alternative Investments and Commercial Property is maintained with due regard for socially responsible investments consistent with the College's charitable status and its ethos.

The College has for some years adopted a Total Return approach which takes account of capital gains and losses on investment as well as income. The total return target for our investment managers is the Retail Price Index rate of inflation plus 3%. During the year to June 2023 RPI was 14.7% (12.1%). The total return on the investment portfolio for the year including additions was 8.2% (-12%). On a five-year annualised basis, the total return has been 3.7% against a target of 9.2% (RPI +3%) and benchmark (ARC Steady Growth Charity) of 3.2%. Within the College's Total Return Spending Rule, the aim is to derive a sufficient and regular return substantially to offset the shortfall in funding for the College's core educational activities; over recent years the Governing Body has approved a transfer of 3% per annum as an appropriate 'spending rate' to preserve capital in the endowment which this year equated to £498k (£503k).

Following a review of investment managers in June 23, the Governing Body agreed to appoint Sarasin and Partners as its new investment managers for all but £5m of the College's total investments. The remaining £5m will be invested in the Cambridge University Endowment Fund (CUEF).

Donations and new endowments - £3.127m (£4.781m) 35% decrease

Excluding the Colleges' Fund grant, donations, new endowments and capital grants decreased by 45% because of the very large donation received in 2021/22.

Donations and pledges came from 256 supporters (21/22: 415 donors- which included a "Giving Week"). The College raised £11.47 for every £1 spent on fundraising 4.2% of contactable alumni made a gift and 80 supporters gave to Lucy for the first time (2021-22 130). The College received regular gifts by Direct Debit, Standing Order or Recurring Cambridge in America gifts from 98 donors (2021-22 93). 11% (5%) of philanthropic funds raised were from former students, 35% (89%) of philanthropic funds raised were from other individuals and 54% (6%) of philanthropic funds raised were from organisations (trusts, foundations, corporates).

There are 111 members of the College's Legacy giving circle, the Anna Bidder Society, with 4 new members gained during the period. New legacy pledges currently worth more than £1.1m were secured in 2022-23.

Benefactions from individuals to support all areas of college life including bursaries, scholarships and prizes included £25k from Honorary Fellow Judith Hanratty and £30k from Dr Jackie Spayne and David Leith for the Lucy Cavendish – Trinity Global Health Scholarship. £23k was received from Ira Shuman for a scholarship for a US citizen who is from an underrepresented background, while Fellow-Commoner Dr Lorna Williamson donated £18k to establish a special hardship fund for medics.

The College received £10k each from Emeritus Fellows Dr Lindsey Traub, Dr David Carter and Dr Ruth Jones and £10k from Honorary Fellow Baroness Cohen of Pimlico and her husband Mr Jim Cohen.

£5k was received from alumna Yuting Shao to create a prize programme in Economics, while Jill and Nick Battley established a prize in the name of Emeritus Fellow, Dr Jane Renfrew, to recognise her tremendous contribution to the College. The first Stott Alternative Futures Prize was launched as one of initiatives to complement the Lucy Cavendish Fiction Prize, thanks to Professor Neil Stott.

Philanthropic support was received from corporate partners, trusts and foundations. Most notably, the first instalment of a commitment of £1.4m was received from Far East Horizon Group to establish a fully funded undergraduate scholarship programme for overseas students over six years. We look forward to welcoming our first cohort in autumn 2023. The Moore Foundation's generous donation of £166k established the Visiting Chair in Sustainable Development Law and Policy which is housed at Lucy Cavendish College. We are delighted to have secured the first tranche (£109k) of a 3-year pledge from the Hilary and Galen Weston Foundation which will provide six fully funded scholarships for international female students who are studying Masters courses related to the UN Sustainable Development Goals.

Philanthropy ensured significant enhancement of the Lucy Cavendish Life Sciences Community Programme with gifts totalling £42K from Abzena, AstraZeneca, Babraham Research Campus, Phoremost, Alchemab Therapeutics, Adrestia Therapeutics and Domainex.

£10k was received from Seamark PLC/Iqbal Bros Foundation to provide a bursary for a British-Bangladeshi student throughout their studies. Peters Fraser and Dunlop (PFD) continued its sponsorship of the Lucy Cavendish Fiction Prize, while Cambridge Precision Limited increased its support for the College's LucEnt Programme (for enterprise initiatives).

Unrestricted gifts, including legacies, are allocated to the areas of greatest need or to the endowment - the income from which supports all College activities. This year we received £662k in legacies. Former Honorary Members of the Combination Room, Susan Maddocks and Anita Rampling left £490K and £50k, respectively. Alumna Suzanne Edwards bequeathed £30k and £74k was received from the estate of the husband of a Lucy alumna (Don Hefferon).

We are extremely grateful to all our benefactors, including those who chose to make anonymous donations.

Other income - £357k (£165k) 116% increase

As interest rates rose consistently during the year, bank interest accounted for just under £200k of Other Income compared with just over £6k in 21/22. This heading also covers receipts from photocopying, merchandise and fees from Visiting Fellows.

Expenditure

Total Expenditure of £10.744m (£8.635k) increased by 24%.

Education expenditure - £4.787m (£3.940m) 21% increase

There has been an overall increase in education costs with greater expenditure particularly in the areas of teaching, tutorial, admissions, scholarships and awards (including the College's share of the Cambridge Bursary scheme) and educational facilities as the numbers of students in the College significantly increased compared to the previous year.

In common with all Cambridge colleges there is a shortfall on the core education accounts (fee income set against educational expenditure) of £214k compared with £645k in 2021/22

Accommodation, catering & conference costs - £5.612m (£4.291m) 31% increase

There have been increases across all categories under this heading. The college continues to rent rooms from St John's College and St Edmund's College and from the commercial provider Collegiate at Castle Street. In most instances the rental agreements are for 52 weeks meaning that the College must pay rent for the full year even when the student licenses are for shorter periods or when the rooms are not let.

Although the College's combined 'Accommodation, Catering and Conferences' income has increased as previously detailed (£4.840m compared with £3.190m in 2021/22) this has not covered the full costs of providing accommodation and catering. These expenditure figures represent a full cost allocation including all overheads. This overall deficit for the year on Accommodation, Catering and Conferences was £650k which represents an improvement on the overall deficit of £1.1m in 21/22

Ongoing efficiencies and increased rent charges, progressively bringing revenues closer to fully allocated costs, are a key part of seeking to ensure the College's financial sustainability in the medium term. Funds collected contribute to the cost of meals within the College and support further investment in the College kitchens. Usually, the College seeks to balance the need to offer affordable rents and charges for students whilst at the same time ensuring that the College has the necessary funds to maintain its student accommodation and catering facilities, undertaking necessary refurbishment and maintenance. This balance has become even more difficult in 22/23 as cost-of-living pressures have impacted students and the College itself has been subject to increased costs through higher inflation.

Balance Sheet

The Balance Sheet shows a Net Current Asset position at the year-end of £4.297m (21/22 £1.744m).

Non-current assets

Non-current assets total £64.396m (21/22 £62.470m). These include Tangible Assets of £45.694m (21/22 £44.788m) including properties, furnishings, I.T. and other equipment. Investments of £18.702m (20/21 £17.682m) make up the balance of the non-current assets. This year the total capital investment in new Tangible Assets was £1.716m (21/22 £8.93m) whilst after disposals and depreciation there was an overall increase of £0.906m (21/22 £8.260m) The increase primarily relates to the consolidated cost of freehold buildings (£1.486m) associated with the College's expenditure on its onsite development. Investments have increased in overall values from £17.682m in 21/22 to £18.702m at 30 June 2023. This is accounted for by increased valuation and net additions. At 30 June 2023, the College had drawn down a total of £11.296m (21/22 £10.396m) from a £16m loan facility provided by the University of Cambridge to fund the new building on the College's main site.

Reserves

The consolidated reserves stand at £50.335m up from £46.784m in the 2021/22 accounts.

All income and expenditure, however derived, goes through the Statement of Comprehensive Income and Expenditure so the total movement on reserves is equivalent to the comprehensive income (or expenditure) in the year. Thus, the consolidated comprehensive income of £3.551m (21/22 comprehensive income of £732k) is also the increase in consolidated net assets and in consolidated reserves.

Of the total reserves at 30 June 2023 64% is held in unrestricted funds, 9% in restricted (only to be used for specific purposes according to donors' wishes) and 27% in endowed funds (capital to be retained and income only to be spent). This compares with 64%, 8% and 28% in the comparative figures at 30 June 2022.

During 2022/23 consolidated unrestricted funds increased from £30.190m to £32.279m (College unrestricted funds increased from £30.414m to £32.526m) whilst total endowment funds increased from £13.02m to £13.720m. Restricted reserves increased from £3.574m to £4.336m.

Reserves policy.

A high level of capital is required for the College to fulfil its role within the University and thrive over the long term. Capital is needed to build and replace operational buildings and to provide income to meet operational expenses, of which the largest single element is salaries for academic and non-academic staff. All Cambridge colleges take an intergenerational equity view of their reserves and Lucy Cavendish, too, seeks to maintain an equitable balance between the needs of its present members and those of future generations and must therefore seek to maintain its endowment reserves over the longer term.

The College relies on the total return from its investments both to fund the difference between its annual expenditure and operating income and to maintain the real value of its assets and future income. The College seeks to maintain its reserves at a level that generates a total return sufficient to meet these objectives over the long term. The Reserves Policy does not preclude the Governing Body authorising a reduction in the reserves if it wishes to implement specific initiatives that are likely to accelerate the fulfilment of the College's strategic objectives, but it is worth noting that the total value of Tangible Assets at £45.694m exceeds the value of the consolidated unrestricted funds at £32.279m so there are essentially no quickly available 'free' reserves.

In October 2020, as a further prudent measure, the Governing Body approved an addition to the Reserves Policy to establish an equivalent of a 'designated reserve' designed to ensure that the Private Placement borrowings can, if the Trustees at the time consider it the right thing to do, be repaid in full when they fall due in 2043/44 and 2053/54. Previously, the assumption had been that they would have to be re-financed. Every five years a review is to be carried out of the monies put aside for investment in the designated reserve and the allocations increased for the next quinquennial period as needed and depending on the proximity of the repayment date.

Cashflow

Operating cash levels are generally held at low levels and historically cashflow has required very careful management. However, cashflow has continued to improve over recent years with increased income, tighter credit control and higher interest rates. This is predicted to continue as an outcome in the financial modelling. In recent years the net cashflow has been supported by the operational use of the Colleges' Fund (£1.147m) and by drawing down on the Loan Facility from the University for the New Building (£0.9m drawn down in the year). Net cash inflow from operating activities in 2022/23 was positive at £4.720m (21/22 £3.661m). Cash totaling £2.089m (21/22 £1.623m) was used in investing and financing activities such as capital expenditure, purchase of investments and loan receipts/payments including paying interest on loans. The overall position was an inflow of £2.633m (2021/22 £2.038m).

Staff costs and pensions

The College makes pension fund contributions on behalf of its employees to Universities Superannuation Scheme (USS), with some contributions towards the defined benefit part of the scheme and some towards the defined contribution part of the scheme and to a defined contribution scheme with NOW pensions. The

College previously contributed to another defined benefit scheme, the Cambridge Colleges Federated Pension Scheme but it no longer has any active members in this scheme. However, the College continues to make payments to this scheme to contribute to the deficit which it has accrued. Total staff costs increased to £3.891m in 22/23 compared with £3.581m in 21/22. Total pension costs in 22/23 were £441k compared with £880k in 21/22. Total average staff (academic and non-academic) numbers rose from 96 to 113 (FTE 64.10 to 73.05), reflecting continued investment in new posts as student numbers have increased. There was a general pay increase of 5% for most employees (21/22 3-5%). These figures also include the costs of teaching provided by those not directly employed by the College and these costs rose from £166k to £299k as was expected with the increase in student numbers.

Employees

No trustees are paid for being a trustee but in order to fulfil its charitable purposes, the College employs some Fellows as College Lecturers, Supervisors, Directors of Studies, Tutors and senior Administrative Officers (all of whom, along with the President are charity trustees as members of the Governing Body). The employment of the President and Fellows is undertaken with the intention of furthering the College's objectives and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows through salaries, stipends and employment-related benefits is objectively reasonable, measured against academic stipends generally, and indeed is generally modest when compared with those of other colleges in Cambridge. Without the employment of Fellows, the College could not fulfil its charitable aims as a College within the University of Cambridge. Including the President, the total number of Fellows in the year was 51 (21/22 49). The College also employs a further 76 (21/22 66) members of staff and engages other casual staff as necessary to provide the professional and service support necessary to run the College. Salaries and remuneration are reviewed annually by the Salaries & Remuneration Committee, the majority of whose members are Fellows in the College who do not receive a stipend together with external members who are completely independent of the College.

Maintenance of buildings and capital expenditure

Total capital expenditure during the year was £1.716m (21/22 £8.930m). £1.486m (21/22 £8.751m) of this related to the consolidated cost of freehold buildings associated with the College's expenditure on its onsite development. Other expenditure included general refurbishment in accordance with a programme of planned maintenance, the purchase of Library books, planned upgrades for IT systems, equipment and infrastructure.

Risk management

The Governing Body is responsible for identifying and managing the major risks facing the College. Risk management is considered in every aspect of the College's work and the College recognizes that the effective management of risk, while ensuring our organisational objectives are achieved, is key. The College Council, Governing Body and Audit Committee regularly review the risk register. They review risk in its broadest sense and consider anything that might alter or undermine the capacity of the College to fulfil its objectives from both a strategic and operational perspective. Our wider assurance framework includes policies and procedures for anti-corruption and bribery, health and safety, and management of complaints and grievances. These ensure that, where incidents give rise to risks, they are identified, acted on swiftly and reported according to our regulatory responsibilities.

The key principles to support the delivery of our risk management approach are outlined below:

- It is the responsibility of all staff to ensure they understand and comply with policies and their risk management roles and responsibilities.

- Risk management awareness and training will be provided to all staff as appropriate to their roles and responsibilities.
- Risk management is not a stand-alone activity that is separate from the College's main activities. It is embedded in key processes and at decision-making points (e.g., strategic and operational planning).
- The College has a register of strategic risks that describes and categorises risks according to their likelihood and impact.

The Audit Committee has delegated authority to act on behalf of the Governing Body in relation to the matters set out in its terms of reference, as well as providing advice, guidance and insight on issues within its scope. The Committee is chaired by a Fellow and has external members to provide relevant expertise. The Committee has a specific duty to keep under review the effectiveness of the College's risk management, control and governance arrangements.

Principal risks and uncertainties

During the last financial year, the world continued to face considerable uncertainties and challenges including the ongoing impact of the Russian invasion and subsequent war in Ukraine and the climate emergency which is now more regularly leading to drought, fires and floods. The economic fall-out from these events continued with rising energy costs at the start of the year, goods shortages, trade barriers, changes to labour patterns and increased wage demands. However, in the UK by July 2023 inflation (CPI) had come down to 6.8% from 10.1% in July 2022 (against a high of 11.1% in October 2022). This was mostly due to a fall in gas and electricity prices and although food prices still rose in July 2023 it was less than in July 2022, also contributing to the easing in the annual inflation rate. Despite this reduction, it is clear that "cost of living" for the College, its staff and students is likely to remain a significant factor for the foreseeable future.

As before, the main overall risk remains the College's relative under-endowment: inevitably a smaller pool of investments, no matter how well employed, yields a smaller overall return. This has an impact in many ways. The return on endowment/investments is critical to all Cambridge colleges in allowing them to support the wider operations and activities of the College and to bridge the gap between fee income received and the full costs of education. Critically, for this College a larger endowment with greater return would provide regular ongoing funds to offer greater support to our students in meeting living costs – in practice, many other colleges are able to subsidise these to an extent that we simply cannot afford. This is particularly challenging given the focus that the College has on recruiting those traditionally under-represented in Cambridge as many students do not have ready access to other funds. A larger endowment would also enable us to undertake more investments in infrastructure and develop new services to keep the College moving forward in the longer term as it would increase our borrowing capacity.

In the current uncertain political and economic environment, a larger endowment would also offer greater resilience against the impact of fluctuations in the international, national and local landscape in which we operate. Beyond the uncertainties affecting the whole world, there remain uncertainties about Higher Education fees and the funding regime in the UK and elsewhere which could affect the numbers and types of students who come to the University of Cambridge and therefore to this College. Since 2017 regulated tuition fee income has not changed from £9,250 per student, shared 50:50 between the University and College, whilst upward pressure on costs has intensified in an era of high inflation. At a more local level, whilst the College is responsible for admitting its undergraduates, the University admits the postgraduate students and ensuring that colleges and University plans align can be challenging. In recent years, the balance of students in the College has shifted so that in June 2023 we had around 45% undergraduates and 55% postgraduates (June 2022 39% and 61%).

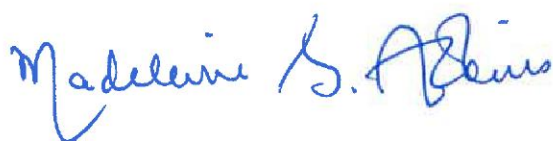
An ongoing focus on cost control and a commitment to efficient management of resources and value for money also remains important. In order to provide the appropriate support and facilities for our current students and to safeguard the College's future we must also continue to undertake planned growth and invest in capital, including new technologies to achieve better productivity. Income generation is as critical as cost control. Hence growth in student numbers, continuing to charge appropriate economic rates for accommodation and other services, rebuilding our conference and other income-generating activities as soon as possible, ambitious fundraising to augment the endowment and to allow the College to offer increased support for our students and its other key activities and sound investment management all have a crucial role to play in building the College's future. In terms of expenditure, there remains considerable upward pressure as student expectations rise, requiring the College to deliver even more effectively in all areas: from teaching and pastoral support to accommodation, housekeeping, catering and IT provision. Legal and compliance issues increasingly require the College to devote more of its resources to ensuring that these requirements are met. Equally, there is continuing pressure in several areas for the College to pay its fair share of inter-college and collegiate University costs. In particular, the College is renting an increasingly large part of its accommodation for students from others which exposes the College to market rental pressures. Sourcing the right range of accommodation for our increased student population at rates that both the College and they can afford is a major challenge.

Finally, in order to continue to meet our aspiration of ensuring that talented students from non-traditional backgrounds can come to the College and complete their studies at Cambridge irrespective of means, there remains a great need for student bursaries and student support funds. As our student body changes with a larger number coming from groups that have been traditionally under-represented in Cambridge, we can see that there is increased pressure to offer more support even beyond the current Cambridge Bursary scheme. In the meantime, the support that we have received from donors for student bursaries has again been particularly valuable and we, and our students, are grateful for such generosity.

Plans for the future.

In conclusion, the College is well on the way to implementing its new vision and continues to aim to secure its financial future through growth in student numbers, significant development of the College's estate, an increased unrestricted endowment, and a permanently funded core of positions and programmes that will enable us to deliver the vision to the benefit of our students and Fellows in a compelling manner for decades to come. As will be evident from this report, the College continues to implement plans in all these areas and these will be the priorities over the next year whilst also ensuring that the operational and financial impacts of world events continue to be managed well. We are delighted and heartened to have received such positive and significant support for these ambitious plans from so many different people and organisations once again throughout this past year. Together we are confident that we can achieve the ambitious goals we have set.

The College takes this opportunity to thank its Auditors and other professional advisers for their consistent and expert support.



Professor Dame Madeleine Atkins
President

Date: 22nd November 2023



Mr Tony McNiff
Bursar

Date: 22nd November 2023

Corporate Governance

1. The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity, registration number 1137875, and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The President and Fellows in Classes A, B and C constitute the Governing Body of the College. The Governing Body is constituted and regulated in accordance with the College statutes and is the body responsible for the strategic direction of the College. Members of the Governing Body are also the Trustees of the charity and are listed on page 2. Student representatives and Visiting Fellows are invited to Governing Body meetings for unreserved business and Fellows in Class D (research fellows) attend the unreserved and reserved meetings as observers. There is usually one formal Governing Body meeting per term, together with the Audit meeting during the Michaelmas term at which the audited accounts are approved. The Governing Body also holds an Awayday each year for exploration of particular issues.
4. Ongoing administration and management of the finances and assets of the College is carried out by the College Council which is composed ex officio of the senior officers (see below) together with six elected GB members, two student representatives and one staff representative. Council meets three times during term time and just before and after term as necessary.

Membership of the Council during the Financial Year 2022-23:

Professor Dame Madeleine Atkins, President, ex officio

Professor Henriette Hendriks, Vice-President, ex officio

Dr Howard Nelson, Acting Vice-President, ex officio, from 1 April 2023, for any absence of Prof Hendriks

Mrs Lesley Thompson, Bursar, ex officio

Dr Jane Greatorex, Senior Tutor, ex officio

Ms Alison Vinnicombe, Secretary to the Council, ex officio

Dr Patricia Alireza

Dr Renan Baker

Dr Alex Freer

Mrs Christine Houghton

Dr Mark King

Ms Suzanne Tonkin

5. There are a small number of committees and working groups which report to Governing Body and/or Council, including an Audit Committee.
6. It is the duty of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal, to monitor the implementation of recommendations made by the auditors; to make an annual report to the Trustees.

7. The principal officers of the college are:

President	Professor Dame Madeleine Atkins
Vice President	Professor Henriette Hendriks
Senior Tutor	Dr Jane Greatorex
Bursar	Mr Tony McNiff

Delegated authority is given to them during the Long Vacation.

8. There are Registers of Interests of Trustees, the Council and Audit Committee and of the senior administrative officers. Declarations of interest are made systematically at meetings.

9. The College's Trustees during the year ended 30 June 2023 are set out on page 2.

10. Statement of Internal Control

The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with College Statutes.

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

The systems of internal control are 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 Trustees are responsible for reviewing the effectiveness of the system of internal control.

The Trustees' review of the effectiveness of the system of internal control is informed by the work of the various committees, the Bursar and other College officers who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Any system of financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

11. Financial management and control

The College operates a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation and for bringing forward budget proposals through an annual budgeting process. Fellows, members of staff and students are encouraged to participate in the process through membership of relevant committees and working groups. The Budget is then considered by Council prior to approval by the Governing Body.

Responsibilities of the Trustees

The Trustees are 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Trustees are 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 Trustees are 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.

Independent Auditors' Report to the Trustees of Lucy Cavendish College

Opinion

We have audited the financial statements of Lucy Cavendish College (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 the group's incoming resources and application of resources, including its income and expenditure, 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
- the contribution due from the College to the University has been correctly 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.

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 and College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 themselves. 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.

Matters on which we are required to report by exception

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:

- the information given in the financial statements is inconsistent in any material respect with the report of the Governing Body; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 25, 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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:

We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the College this included data protection, health and safety, employment law and financial reporting.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk.
- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates
- We reviewed minutes of governing body meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the trustees.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the College's trustees, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College's 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 College's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Price Bailey LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 11 December 2023

Statement of Principal Accounting Policies

Basis of preparation

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

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

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

The functional and presentational currency of the College is GBP. The level of rounding applied is to the nearest £000.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the financial statements of The College and its subsidiary undertakings for the year ended 30th June 2023. Details of the subsidiary undertakings included are set out in note 24. Intra-group balances are eliminated on consolidation.

The activities of student societies have not been consolidated.

Recognition of income

Academic fees

College fee income is recognised in the period for which it is received and includes all fees chargeable to students or their sponsors.

Grant income

Grants received from non-government sources (including research grants 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.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being 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 with additional disclosure provided within the notes to the accounts.

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

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

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

Investment income and change in value of investment assets

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

Total return

The Governing Body has agreed that the transfer made under Total Return would equate to 3 per cent. This is in line with The College spending rule which permits the transfer of no more than 5 per cent of the closing balance of the fund. Each transfer is subject to the specific agreement of the Governing Body.

Other income

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

Cambridge Bursary Scheme

Payment of Cambridge Bursaries to eligible students are 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 £118,724 (2022: £82,832) is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see Note 1)	£464,743 (2022: £383,473)
Expenditure	£583,467 (2022: £466,305)

Going concern

The 30-year financial model is updated annually to reflect actual results and the next year's budget. The model can be used to consider different scenarios which gives the Trustees confidence that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future. The College has therefore continued to adopt the going concern basis in preparing the financial statements.

Tangible fixed assets

a. Land and buildings

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

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 buildings are depreciated on a componentisation basis. Freehold land is not depreciated as it is considered to have an indefinite useful life.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use. Borrowing costs have been capitalised on the commencement date which is when three conditions have been met a) expenditure has been incurred for the building b) borrowing costs have been incurred to support that expenditure and c) the expenditure is for activities that are necessary to prepare the building for use. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the building for its intended use are complete.

The freehold property known as New Building, Lucy Cavendish College, CB3 0BU was valued as at 30 June 2023 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation – Global Standards 2022 and the national standards and guidance set out in the UK national supplement (November 2018), the International Valuation Standards, FRS 102, 'the Financial Reporting Standard applicable in the UK and Republic of Ireland', and the current Statement of Recommended Practice (SORP) 'Accounting for Further and Higher Education'. The valuations of specialized properties were derived using the Depreciated Replacement Cost (DRC) method.

The cost of additions to operational property shown in the balance sheet includes the cost of land where applicable.

b. Maintenance of premises

The cost of refurbishment is capitalised and depreciated over the expected useful economic life of the asset concerned. Refurbishments which provide significantly enhanced facilities and benefits and cost above £10,000 are capitalised and depreciated over 5 years / their useful economic life according to the asset classification.

Maintenance costs are expensed through the income and expenditure account each year and the College sets aside sums periodically to meet future maintenance costs.

c. Furniture, fittings and equipment

Furniture, fittings and equipment are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10 years
Information Technology	3 to 7 years
Kitchen equipment	7 years
Library books	20 years
General mechanical equipment	10 years

d. Leased assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

e. Heritage Assets

The College does not currently hold any heritage assets.

Investments

Fixed asset investment and endowment assets are included in the balance sheet at fair value except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment which is considered to be the market value.

Silver works of art and other assets not related to education are professionally valued.

Stock

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

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.

Current Assets and Liabilities

Debtors: Short term debtors are measured at transaction price, less impairment

Cash and Cash Equivalents: Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors: Short term creditors are measured at the transaction price

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. Please see note 9 where market value and cost are recorded. 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. 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.

Legacy accounting policy

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

Taxation

The College is a registered charity (number 1137875) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

Contribution under Statute G,II

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

Employment benefits

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

Reserves

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

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

Pension schemes

The College participates in the Universities Superannuation Scheme. The Scheme is 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 FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the 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 participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS 102 guidelines.

The College operates an insured money purchase pension scheme for its staff, NOW Pension. The assets of the scheme are held separately from those of the College. The College's contributions to the scheme amounted to £75,177 (2022: £60,533), with contributions of £13,213 (2022 £10,177), outstanding at the balance sheet date.

Critical accounting judgements

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

Management considers 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 later are recognised when probate has been granted.

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 8.

Recoverability of debtors

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

Retirement benefit obligations

The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 15.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2022. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 23.

Consolidated Statement of Comprehensive Income and Expenditure

Year ended 30th June 2023		2022-23				2021-22			
	Note	Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	4,573	-	-	4,573	3,295	-	-	3,295
Accommodation, catering and conferences	2	4,840	-	-	4,840	3,190	-	-	3,190
Investment income	3	5	-	292	297	25	-	360	385
Endowment return transferred to income and expenditure account	3	307	191	(498)	-	313	190	(503)	-
Other Income		357	-	0	357	164	-	-	164
Total income before donations and endowments		10,082	191	(206)	10,067	6,987	190	(143)	7,034
Donations		676	1,202	-	1,878	510	3,068	-	3,578
New Endowments		-	-	26	26	-	-	-	0
Grant from Colleges Fund		1,147	-	-	1,147	1,203	-	-	1,203
Other capital grants for assets		-	76	-	76	-	-	-	0
Total income		11,905	1,469	(180)	13,194	8,700	3,258	(143)	11,815
Expenditure									
Education	4	3,968	819	-	4,787	3,097	843	-	3,940
Accommodation, catering and conferences	5	5,612	-	-	5,612	4,291	-	-	4,291
Other expenditure		250	-	95	345	311	-	93	404
Total expenditure	6	9,830	819	95	10,744	7,699	843	93	8,635
Surplus/(deficit) before gains and losses		2,075	650	(275)	2,450	1,001	2,415	(236)	3,180
(Loss)/Gain on disposal of fixed assets	8	(1)	-	-	(1)	-	-	-	-
(Loss)/Gain on investments	9	17	119	975	1,111	(128)	(286)	(2,063)	(2,477)
Surplus/(deficit) for the year		2,091	769	700	3,560	873	2,129	(2,299)	703
Other comprehensive income									
Actuarial (Loss)/gain in respect of pension schemes	15	(9)	-	-	(9)	29	-	-	29
Total comprehensive income for the year		2,082	769	700	3,551	902	2,129	(2,299)	732

The notes on pages 36 to 63 form part of these financial statements

Year ended 30th June 2023

Balance at 1 July 2022

(Deficit)/Surplus from income and expenditure statement

Other comprehensive income

Release of restricted capital funds spent in the year

Balance at 30 June 2023

Income and expenditure reserve		Total
Unrestricted	Restricted	
£000	£000	£000
30,190	3,574	46,784
2,091	769	3,560
(9)	-	(9)
7	(7)	-
32,279	4,336	50,335

Balance at 1 July 2021

Surplus/(Deficit) from income and expenditure statement

Other comprehensive income

Release of restricted capital funds spent in the year

Balance at 30 June 2022

Income and expenditure reserve		Total
Unrestricted	Restricted	
£000	£000	£000
29,285	1,448	46,052
873	2,129	703
29	-	29
3	(3)	-
30,190	3,574	46,784

There is no material difference between the College and the Group figures.

The notes on pages 36 to 63 form part of these financial statements

Consolidated and College Balance Sheet – As at 30th June 2023

		2023	2023	2022	2022
		Consolidated	College	Consolidated	College
	Note	£000	£000	£000	£000
Non-current Assets					
Tangible Assets	8	45,694	45,944	44,788	45,012
Investments	9	18,702	18,702	17,682	17,682
Total non-current assets		64,396	64,646	62,470	62,694
Current Assets					
Stock	10	24	24	19	19
Trade and other receivables	11	697	934	580	911
Cash and cash equivalents	12	6,039	5,652	3,406	2,962
Total current assets		6,760	6,610	4,005	3,892
Creditors: amounts falling due within one year	13	(2,463)	(2,316)	(2,261)	(2,148)
Net current assets		4,297	4,294	1,744	1,744
Creditors: amounts falling due after more than one year	14	(17,340)	(17,340)	(16,440)	(16,440)
Provisions					
Pension provisions	15	(1,018)	(1,018)	(990)	(990)
Total net assets		50,335	50,582	46,784	47,008
Restricted reserves					
Income and expenditure reserve - endowment reserve	16	13,720	13,720	13,020	13,020
Income and expenditure reserve - restricted reserve	17	4,336	4,336	3,574	3,574
Total restricted reserves		18,056	18,056	16,594	16,594
Unrestricted reserves					
Income and expenditure reserve - unrestricted		32,279	32,526	30,190	30,414
Total unrestricted reserves		32,279	32,526	30,190	30,414
Total reserves		50,335	50,582	46,784	47,008

The financial statements were approved by Governing Body on 22nd November 2023 and signed on its behalf by:


Professor Dame Madeleine Atkins
President


Mr Tony McNiff
Bursar

The notes on pages 36 to 63 form part of these financial statements.

Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 £000	2022 £000
Net cash inflow from operating activities	19	4,720	3,661
Cash flows from investing activities	20	(2,574)	(9,751)
Cash flows from financing activities	21	487	8,128
Increase/(decrease) in cash and cash equivalents in the year		2,633	2,038
Cash and cash equivalents at the beginning of the year		3,406	1,368
Cash and cash equivalents at the end of the year	12	6,039	3,406

Note

1 Academic fees & charges

Per capita fee

2023

2022

£,000

£,000

Fee income received at the Regulated Undergraduate rate	4,625	1,244	969
Fee income received at the Unregulated Undergraduate rate	£7,350, £8,280, £8,700, £9,360, £10,200, £10,710 BTh £609	868	545
Fee income received at the Graduate rate	£4,767	1,963	1,391
Other fee income received		33	7
Total		4,109	2,912
Cambridge bursary income		465	383
Total		4,573	3,295

2 Income from accommodation, catering and conferences

Accommodation	College members	4,143	2,950
	Conferences	209	55
Catering	College members	263	150
	Conferences	225	35
Total		4,840	3,190

3 Endowment return and investment income

3a Analysis

Total return contribution (see note 3b)	498	503
Income from:		
Quoted securities	498	503
Total	498	503

3b Summary of total return

Income from:		
Quoted and other securities and cash	297	385
Total income	297	385
Gains/(losses) on endowment assets:		
Quoted and other securities and cash	1,015	(2,525)
Total gains/(losses) on endowment assets	1,015	(2,525)
Investment management costs (see note 3c)	(95)	(93)
Total return for the year	1,218	(2,233)
Total return transferred to income & expenditure reserve (see note 3a)	498	503
Unapplied total return for year included within statement of Comprehensive Income and Expenditure (see note 18)	720	(2,736)

Other Income

Includes £199k of current account bank interest (2022: £6k)

3c Investment management costs	2023 £,000	2022 £,000
Quoted securities	(95)	(93)
Total	(95)	(93)

4 Education Expenditure

Teaching	1,684	1,285
Tutorial	1,055	911
Admissions	666	584
Research	174	146
Scholarships & Awards	464	397
Cambridge bursary awards	583	466
Other Educational Facilities	161	151
	4,787	3,940

5 Accommodation, catering and conferences expenditure

Accommodation	College members	4,805	3,968
	Conferences	242	75
Catering	College members	304	201
	Conferences	261	47
		5,612	4,291

6a Analysis of 2022/23 expenditure by activity

	Staff costs (note 7) £,000	Other Op Exps £,000	Depreciation £,000	2023 £,000
Education	2,060	2,535	192	4,787
Accommodation, catering and conferences	1,647	3,353	612	5,612
Other	184	159	2	345
	3,891	6,047	806	10,744

Expenditure includes fundraising costs of £220,103. This expenditure excludes the costs of alumni relations

6b Analysis of 2021/22 expenditure by activity

	Staff costs (note 7) £,000	Other Op Exps £,000	Depreciation £,000	2022 £,000
Education	1,854	1,927	159	3,940
Accommodation, catering and conferences	1,507	2,278	506	4,291
Other	221	181	2	404
	3,582	4,386	667	8,635

Expenditure includes fundraising costs of £267,620. This expenditure excludes the costs of alumni relations

6c Audit fees	2023	2022
	£,000	£,000
Other operating expenses include:		
Audit fees payable to the College's external auditors	22	20
	22	20

7 Staff costs

	Academic	Non Academic	2023
	£,000	£,000	£,000
Staff costs 2022-23			
Salaries	527	2,370	2,897
National Insurance	38	216	254
Pension costs	121	320	441
External teaching costs	299	-	299
Total	985	2,906	3,891

	Academic	Non Academic	2022
	£,000	£,000	£,000
Staff costs 2021-22			
Salaries	405	1,938	2,343
National Insurance	26	166	192
Pension costs	685	195	880
External teaching costs	166	1	167
Total	1,282	2,300	3,582

Included within non-academic salaries are the President, Domestic Bursar, Registrar, Bursar, Development Director, Communications Manager and all other non-teaching staff

	Average staff no 2023		Average staff no 2022	
	No. of fellows	FTE	No. of fellows	FTE
Academic	31	N/A	25	N/A
Non academic	6	5.62	5	4.62
Total fellows	37	5.62	30	4.62
Other non-academic teaching staff	76	67.43	66	59.48
Total fellows and staff	113	73.05	96	64.10

Average staff numbers do not include external teachers.

At the Balance Sheet date there were 51 (2022:49) members of the Governing Body. During the year, the average number receiving remuneration was 38 fellows (2022:33)

No officer or employee of the College, including the President, received emoluments of over £100k.

Key Management Personnel

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

	2023	2022
	£,000	£,000
Key Management Personnel	603	579

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

8a Fixed Assets - Consolidated

	College Buildings £,000	Furniture & Equip £,000	IT £,000	Kitchen Equip £,000	Library Books £,000	Mech Equip £,000	Total 2023 £,000	Total 2022 £,000
COST/VALUATION								
At 1st July	48,116	579	988	88	724	1,405	51,900	42,974
Additions	1,486	18	67	24	37	84	1,716	8,930
Disposals at cost/valuation	-	(465)	(826)	(66)	(57)	(1,164)	(2,578)	(4)
Revaluation during the year	-	-	-	-	-	-	-	-
Cost valuation at 30th June	49,602	132	229	46	704	325	51,038	51,900
DEPRECIATION								
At 1st July	3,880	544	932	79	340	1,337	7,112	6,446
Provided for the year	704	10	31	5	38	18	806	667
Eliminated on disposal	-	(465)	(826)	(66)	(53)	(1,164)	(2,574)	(1)
Depreciation at 30th June	4,584	89	137	18	325	191	5,344	7,112
Net book value								
At 30th June 2023	45,018	43	92	28	379	134	45,694	-
At 30th June 2022	44,236	35	56	9	384	68	-	44,788

The Insured Value of Freehold Land and Buildings as at 30th June 2023 was £46,107,711 (2022: £28,387,764)
The consolidated cost of freehold buildings and assets in construction consists of the costs incurred by the College less the surplus recorded in the accounts of Lucy Cavendish Estates Limited, a subsidiary undertaking, and eliminated on consolidation.

8b Fixed Assets - College Only

	College Buildings & Site £,000	Furniture & Equip £,000	IT £,000	Kitchen Equip £,000	Library Books £,000	Mech Equip £,000	Total 2023 £,000	Total 2022 £,000
COST/VALUATION								
At 1st July	48,340	579	988	88	724	1,405	52,124	43,032
Additions	1,512	18	67	24	37	84	1,742	9,097
Disposals at cost/valuation	-	(465)	(826)	(66)	(57)	(1,164)	(2,578)	(4)
Revaluation during the year	-	-	-	-	-	-	-	-
Cost valuation at 30th June	49,852	132	229	46	704	325	51,288	52,124
DEPRECIATION								
At 1st July	3,880	544	932	79	340	1,337	7,112	6,446
Provided for the year	704	10	31	5	38	18	806	667
Eliminated on disposal	-	(465)	(826)	(66)	(53)	(1,164)	(2,574)	(1)
Depreciation at 30th June	4,584	89	137	18	325	191	5,344	7,112
Net book value								
At 30th June 2023	45,268	43	92	28	379	134	45,944	-
At 30th June 2022	44,460	35	56	9	384	68	-	45,012

The Insured Value of Freehold Land and Buildings as at 30th June 2023 was £46,107,711 (2022: £28,387,764)
The consolidated cost of freehold buildings and assets in construction consists of the costs incurred by the College less the surplus recorded in the accounts of Lucy Cavendish Estates Limited, a subsidiary undertaking, and eliminated on consolidation.

9 Investments

	2023	2022
	£,000	£,000
Balance b/fwd 1st July	17,682	17,656
Gain on works of art/property	-	22
Additions	3,160	4,162
Disposals at open market value	(2,005)	(2,956)
Decrease in cash held by fund managers	(1,098)	1,017
Gain on revaluation	963	(2,219)
Balance c/fwd June	18,702	17,682

	2023	2022
	£,000	£,000
Represented by:		
Other investments	430	430
Quoted securities - equities	4,474	4,627
Quoted securities - europe/overseas	9,105	8,397
Quoted securities - fixed interest	3,810	2,244
Cash in hand and at investment managers	883	1,984
	18,702	17,682

Historical cost of investments

Total historical cost of other investments
 Total historical cost of investment portfolio

2023	2022
£,000	£,000
£357	£357
£14,684	£15,590

10 Stock	Consolidated	College	Consolidated	College
	2023	2023	2022	2022
	£,000	£,000	£,000	£,000
Stock	24	24	19	19
11 Trade and other receivables	Consolidated	College	Consolidated	College
	2023	2023	2022	2022
	£,000	£,000	£,000	£,000
Conference debtors control	104	22	26	41
Intercompany – Estates	-	220	-	411
Intercompany - Trading	-	117	-	27
Members of the College	19	19	39	39
Prepayments and accrued income	525	515	356	356
Other	49	41	159	37
	697	934	580	911
12 Cash	2023	2023	2022	2022
	£,000	£,000	£,000	£,000
Current Accounts	6,039	5,652	3,381	2,937
Bank Deposits	-	-	25	25
	6,039	5,652	3,406	2,962
13 Creditors: amounts falling due within one year	2023	2023	2022	2022
	£,000	£,000	£,000	£,000
Trade Creditors	301	295	893	793
University Fees	613	613	387	387
Accruals and deferred income	861	615	604	581
Members of the college	309	304	226	221
Intercompany - Estates	-	107	-	-
Conference deposits	219	224	12	17
Other	160	158	139	149
	2,463	2,316	2,261	2,148
14 Creditors: amounts falling due after more than one year	2023	2023	2022	2022
	£,000	£,000	£,000	£,000
Private Placement Funding	3,480	3,480	3,480	3,480
Private Placement Funding	2,564	2,564	2,564	2,564
University loan	11,296	11,296	10,396	10,396
	17,340	17,340	16,440	16,440

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £6.044 million. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt. During 2020-21 the College agreed a loan facility of £16m with the University of Cambridge on

which it had drawn down £11.3m at 30 June 2023. The College has been in compliance with the financial covenants associated with this loan throughout the period.

15 Pension provisions

	Consolidated 2023	College 2023	Consolidated 2022	College 2022
Balance at beginning of year	990	990	515	515
Movement in year:				
Contributions	(241)	(241)	(213)	(213)
Other finance (income)/cost	38	38	9	9
USS Actuarial (Loss)/gain recognised in SOCIE	222	222	708	708
CCFPS Actuarial (Loss)/gain recognised in SOCIE	9	9	(29)	(29)
Balance at end of year	1,018	1,018	990	990

	Consolidated 2023	College 2023	Consolidated 2022	College 2022
CCFPS	74	74	66	66
USS	944	944	924	924
Total	1,018	1,018	990	990

16 Endowment funds

Consolidated and College restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2023	2022
	£,000	£,000	£,000	£,000
Balance at beginning of year:				
Capital	3,994	9,026	13,020	15,319
New endowments received	26	-	26	-
Transfer to general reserves	-	5	5	25
(Decrease)/increase in interest	-	(206)	(206)	(143)
Investment management charges	-	(95)	(95)	(93)
(Decrease)/increase in market value of investments	210	760	970	(2,088)
Balance at end of year	4,230	9,490	13,720	13,020
 Represented by:				
Capital	4,230	9,490	13,720	13,020
 Analysis by type of purpose:				
Fellowship funds	1,238	-	1,238	1,175
Scholarship funds	1,862	-	1,862	1,767
Prizes funds	106	-	106	76
Hardship funds	368	-	368	349
Travel grant funds	2	-	2	2
Other funds	654	-	654	625
General endowments	-	9,490	9,490	9,026
Total	4,230	9,490	13,720	13,020
 Analysis by asset:				
Investments	4,230	9,490	13,720	13,020
	4,230	9,490	13,720	13,020

16 Endowment funds 2021/22

Consolidated and College restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2022	2021
	£,000	£,000	£,000	£,000
Balance at beginning of year:				
Capital	4,727	10,592	15,319	12,941
Transfer to general reserves	-	25	25	14
(Decrease)/increase in interest	-	(143)	(143)	(123)
Investment management charges	-	(93)	(93)	(82)
(Decrease)/increase in market value of investments	(733)	(1,355)	(2,088)	2,569
Balance at end of year	3,994	9,026	13,020	15,319
Represented by:				
Capital	3,994	9,026	13,020	15,319
Analysis by type of purpose:				
Fellowship funds	1,175	-	1,175	1,396
Scholarship funds	1,767	-	1,767	2,097
Prizes funds	76	-	76	90
Hardship funds	349	-	349	417
Travel grant funds	2	-	2	2
Other funds	625	-	625	725
General endowments	-	9,026	9,026	10,592
Total	3,994	9,026	13,020	15,319
Analysis by asset:				
Investments	3,994	9,026	13,020	15,319
	3,994	9,026	13,020	15,319

17 Restricted reserves

Consolidated and College reserves with restrictions are as follows:

	Permanent unspent and other restricted income	Capital grants unspent	Other restricted funds/ donations	2023	2022
Balance at beginning of year:					
Capital	-	2	380	382	415
Accumulated income	3,192		-	3,192	1,035
New grants	-	-	-	-	-
New donations	7	76	1,195	1,278	3,069
Investment income	191	-	-	191	190
Increase/(decrease) in market value of investments	-	-	119	119	(289)
Capital grants utilised	-	(7)	-	(7)	(3)
Expenditure	(448)	-	(371)	(819)	(843)
Balance at end of year	2,942	71	1,323	4,336	3,574
Analysis of other restricted funds/donations by type of purpose					
Fellowship funds	565	-	11	576	590
Scholarship funds	196	-	1,117	1,313	571
Prizes funds	15	-	3	18	19
Hardship funds	9	-	20	29	23
Travel grant funds	-	-	-	-	-
Other funds	2,157	-	172	2,329	2,368
General	-	71	-	71	3
Total	2,942	71	1,323	4,336	3,574
Balance at end of year:					
Capital	-	71	1,323	1,394	382
Accumulated income	2,942	-	-	2,942	3,192
Balance at end of year	2,942	71	1,323	4,336	3,574

17 Restricted reserves 2021/22

Consolidated and College reserves with restrictions are as follows:

	Permanent unspent and other restricted income	Capital grants unspent	Other restricted funds/ donations	2022	2021
Balance at beginning of year:					
Capital	-	5	410	415	154
Accumulated income	1,035	-	-	1,035	1,091
 New grants	-	-	-	-	-
New donations	2,635	-	434	3,069	354
Investment income	190	-	-	190	128
Increase/(decrease) in market value of investments	-	-	(289)	(289)	(4)
Capital grants utilised	-	(3)	-	(3)	(7)
Expenditure	(668)	-	(175)	(843)	(268)
Balance at end of year	3,192	2	380	3,574	1,448
 Analysis of other restricted funds/donations by type of purpose					
Fellowship funds	584	-	6	590	578
Scholarship funds	289	-	282	571	753
Prizes funds	19	-	2	21	19
Hardship funds	17	-	6	23	23
Travel grant funds	-	-	-	-	-
Other funds	2,283	-	84	2,367	70
General	-	2	-	2	5
Total	3,192	2	380	3,574	1,448
 Balance at end of year:					
Capital	-	2	380	382	416
Accumulated income	3,192	-	-	3,192	1,032
Balance at end of year	3,192	2	380	3,574	1,448

18 Memorandum Unapplied Total Return

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

	2023	2022
	£,000	£,000
Unapplied Total Return at beginning of year	5,226	7,962
Unapplied Total Return for year (see note 3b)	720	(2,736)
Unapplied total return at year end	5,946	5,226

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

	2023	2022
	£,000	£,000
(Deficit)/Surplus for the year	3,551	732
Adjustments for non-cash items		
Depreciation	806	667
Decrease in cash held by fund managers	1,099	(1,019)
Pension deficit Increase/(Decrease)	28	475
(Increase)/Decrease in Stocks	(4)	-
(Increase)/Decrease in Debtors	(117)	(300)
Increase/(Decrease) in Creditors	204	1,026
	<u>2,016</u>	<u>849</u>
Adjustments for investing or financing activities		
Investment income from dividends/rents	(297)	(385)
Gains/losses on investments	(963)	2,219
	<u>(1,260)</u>	<u>1,834</u>
Interest payable -bond and loan	413	268
Revaluation of investments	-	(22)
	<u>413</u>	<u>246</u>
Net cash inflow from operating activities	4,720	3,661

20 Cash flows from investing activities

Investment income from dividends/rents	297	385
Purchase of investments	(3,162)	(4,162)
Sale of investments	2,007	2,956
Payments made to acquire fixed assets	(1,716)	(8,930)
Total cash flows from investing activities	(2,574)	(9,751)

21 Cash flows from financing activities

Interest payable - university loan	(144)	-
Interest payable - bond	(269)	(268)
New loan	900	8,396
Total cash flows from financing activities	487	8,128

Consolidated reconciliation and analysis of net debt

	At 1 July 2022 £000	Cashflows £000	Acq & disposal subs £000	New finance leases £000	Other non cash changes £000	Changes in market value and exch rates £000	At 30th June 2023 £000
Cash and cash equivalents	3,406	2,633					6,039

Amounts falling due after more than one year:

University loan	10,396	900	-	-	-	-	11,296
Bond - Aviva	1,959	-	-	-	-	-	1,959
Bond - Canada Life	1,521	-	-	-	-	-	1,521
Bond - Pricoa	2,564		-	-	-	-	2,564
Total	16,440	900	-	-	-	-	17,340

22 Lease obligations

At 30th June, the College had commitments under non-cancellable operating leases as follows:

	2023	2022
Land and buildings:		
Expiring within one year	2,908	2,307
Expiring between two and five years	847	1,937
	3,755	4,244

23 Capital Commitments

The College is committed to paying £297k for the gardeners' buildings, of which £6k was spent at the balance sheet date.

23 Pension Schemes

FRS 102 Section 28 Post Employment Benefits

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit result 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 the profit and loss in accordance with section 28 of FRS 102. The directors are satisfied that the scheme provided by the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

Pension Costs

The total cost charged to the profit and loss account is £241k (2022: £213k) as shown in Note 15.

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

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

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

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

The main demographic 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

The current life expectancies on retirement at age 65 are:

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

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

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	3.00%	3.00%

Cambridge Colleges Federated Pension Scheme

The College operates a defined benefit pension plan for the College's employees called 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 by 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
RPI assumption	3.40*	3.45*
CPI assumption	2.80*	2.75*
Pension increases in payment (RPI Max 5% p.a.)	3.30*	3.30*

*For 1 year only, we have assumed that RPI will be 9% and CPI will be 7% (2022: 11% and 9% respectively). The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2022 future improvement factors and a long-term rate of future improvement of 1.25% p.a., 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
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 communication 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	(321,556)	(358,720)
Market value of plan assets	247,778	293,182
Net defined benefit asset/(liability)	(73,778)	(65,538)

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	-	-
Administration Expenses	4,378	4,378
Interest on net defined benefit (asset)/liability	2,408	1,687
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	6,786	6,065

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	358,720	443,198
Current service cost (including Employee contributions)	-	-
Employee contributions	-	-
Benefits paid	(12,117)	(11,064)
Interest on plan liabilities	13,403	7,878
Actuarial (gains)/losses	(38,450)	(81,292)
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	321,556	358,720

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	293,182	347,288
Contributions paid by the College	7,768	7,768
Employee contributions	-	-
Benefits paid	(12,117)	(11,064)
Administration Expenses	(4,656)	(4,613)
Interest on plan assets	10,995	6,191
Return on assets, less interest included in Profit & Loss	(47,394)	(52,388)
Market value of plan assets at end of period	247,778	293,182
Actual return on plan assets	(36,399)	(46,197)

The major categories of plan assets for the year ending 30 June 2023 (with comparative figures for the year ending 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 re-measurement 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	(47,394)	(52,388)
Expected less actual plan expenses	(278)	(235)
Experience gains and losses arising on plan liabilities	(14,283)	(24,140)
Changes in assumptions underlying the present value of plan liabilities	52,733	105,432
Actuarial gain/(loss) recognised in OCI	(9,222)	28,669

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 benefit asset/(liability) at beginning of year	(65,538)	(95,910)
Recognised in Profit and Loss	(6,786)	(6,065)
Contributions paid by the College	7,768	7,768
Re-measurement of net defined benefit liability recognized in OCI	(9,222)	28,669
(Deficit)/Surplus in plan at the end of the year	(73,778)	(65,538)

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 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 21st May 2021 and are as follows:

- Annual contributions of not less than £3,390 p.a. payable for the period to 31 December 2026.

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

24. Principal Subsidiary Undertakings

	Company Number	Country of Incorporation and Operation	Cost	Class of Shares	Proportion of shares held
Lucy Cavendish Trading Limited	02844689	England	2	Ordinary	100%
Lucy Cavendish Estates Limited	12218836	England	1	Ordinary	100%

The principal activity of the above companies is detailed in the directors' reports of the individual companies' financial statements and are included in the consolidated summary of income and expenditure and net assets and liabilities for the year.

Lucy Cavendish Trading generated profits of £22.8k (2022: £19k) for the year and has net assets of £2 (2022: £2)

Lucy Cavendish Estates Limited generated profits of £10k (2022: £141k) for the year and has net assets of £1 (2022: £1)

Lucy Cavendish Trading Limited College supplies various conference services.

Lucy Cavendish Estates facilitates estates development for the College.

Lucy Cavendish Trading Ltd shares are held 50% directly by the College and 50% by the Bursar as a nominee of the College. 100% of the shares are held beneficially for the College.

Registered office address:

Lady Margaret Road
Cambridge
CB3 0BU

25 Related Party Transactions

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

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

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

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

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

From	To	2023	2022
£0	£10,000	23	19
£10,001	£20,000	1	2
£20,001	£30,000	-	2
£30,001	£40,000	5	4
£40,001	£50,000	1	-
£50,001	£60,000	4	3
£60,001	£70,000	1	2
£70,001	£80,000	1	1
	Total	36	33

The total trustee salaries were £596k for the year (2022: £578k)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £208k for the year (2022: £167k).

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

There are 31 Colleges, each of which is an independent corporation with its own property and income. Each College publishes its own financial statements in a form specified by the University of Cambridge. The College pays levies to support the activity of the Office of Intercollegiate Services (OIS). The OIS is responsible primarily for arranging support services to the 31 colleges of the Collegiate University (Cambridge).

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2023 these fees total £12.3m (2022: £8.7m). During the year, the University paid Lucy Cavendish College from these fees, sums totalling £3.0m (2022: £2.3m) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year 2022/23 the College received a contribution under Statute GII of £1.1m (2022: £1.2m) from the Colleges Fund. The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. Lucy Cavendish College administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £465k to this scheme (2022: £383k). In the course of its

charitable activities, Lucy Cavendish College also pays the University of Cambridge for printing, network and other services. In addition, Lucy Cavendish College periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third-party terms.

There are no other related party transactions to note.