

THE KING'S COLLEGE OF OUR LADY AND SAINT NICHOLAS IN CAMBRIDGE

England & Wales · Charity number 1139422

Details

Other names THE KING'S COLLEGE CAMBRIDGE

Status Registered

Legal form Other

Registered 2010-12-21

Register [View on the Charity Commission register](#)

Contact

Address Kings College
Cambridge
CB2 1ST

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Activities

Objects: (1) TO MAINTAIN A COLLEGE WITHIN THE UNIVERSITY OF CAMBRIDGE DEDICATED TO THE ADVANCEMENT OF EDUCATION, RELIGION, LEARNING AND RESEARCH.(2) TO PROVIDE FOR AND CONDUCT DIVINE SERVICE WITHIN THE COLLEGE.

Activities: King's College is one of the constituent colleges of the University of Cambridge and is dedicated to the advancement of education, religion, learning and research. It admits students and Fellows to study and do research in a broad range of university disciplines, while providing financial and pastoral support. It also provides for the conduct of Divine Service in the Chapel.

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training, Religious Activities
- **Who:** Other Defined Groups

Geography

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

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£34,384,371	£27,269,460	£471,423,137	308
2024-06-30	£24,579,417	£23,505,192	£454,324,111	303
2023-06-30	£24,627,161	£24,963,947	£431,179,790	289
2022-06-30	£43,503,646	£28,736,574	£422,529,252	273
2021-06-30	£25,890,729	£23,393,328	£405,046,105	270

Trustees

Name	Role	Appointed
Dr Gillian Tett OBE	Chair	2023-10-10
Andjela Sarkovic		2024-01-01
Dr Angus Russell		2024-01-29
Dr Dror Weil		2026-01-01
Dr Philip Knox		2025-01-01
Lorraine Headen		2023-10-16
Olivia Sally		2026-01-01
Professor Chryssi Giannitsarou PHD		2023-01-01
Professor Henning Grosse Ruse-Khan		2025-01-01
Professor Jason Campbell Sharman		2026-01-01
Professor Nicholas Bullock		2025-01-01
Professor Robert Foley		2025-01-01
Sophia O'Callaghan		2026-01-01

Accounts



KING'S COLLEGE

CAMBRIDGE

Annual Report
and
Financial Statements

for the year ended

30 June 2025

Registered Charity number 1139422

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Reference and administrative information

The formal title of the College is ‘The King’s College of Our Lady and Saint Nicholas in Cambridge’. The College’s address is King’s College, King’s Parade, Cambridge, CB2 1ST.

Charity trustees

The trustees of the College, who are the members of the College Council, during the year were:

Dr Gillian Tett (Provost and Chair of Council); Dr Ronojoy Adhikari (until December 2024); Professor Matei Candea (until December 2024); Professor John Dunn (until December 2024); Professor Chryssi Giannitsarou; Dr David Good; Professor Jason Sharman (until December 2024); Dr James Taylor (until December 2024); Mrs Lorraine Headen ; Dr Andjela Sarkovic ; Dr Angus Russell ; Professor Nicholas Bullock (from January 2025); Professor Robert Foley (from January 2025); Professor Cesare Hall (from January 2025) ; Professor Henning Grosse Ruse-Khan (from January 2025); Dr Philip Knox (from January 2025).

Members *in Statu Pupillari*, until the end of December 2024, were: Ms Berenice Bulteel; Mr Luca Limoncelli. Members *in Statu Pupillari*, from January 2025, were: Ms Fee Robinson; Mr John Teare.

Senior Officers

Provost	Dr Gillian Tett
Vice Provost	Professor Robin Osborne
First Bursar	Dr Ivan Collister
Senior Tutor	Dr Myfanwy Hill

Principal advisers

Actuaries	Cartwright Consulting, Mill Pool House, Mill Lane, Godalming, GU7 1EY
Auditors	PEM Audit Limited, Sailsbury House, Station Road, Cambridge, CB1 2LA
Bankers	Barclays Bank plc, 9-11 St Andrew’s Street, Cambridge, CB2 3AA
Investment advisers	Mercer Limited, 1 Tower Place West, Tower Place, London, EC3R 5BU
Property advisers	Bidwells, Trumpington Road, Cambridge, CB2 2LD Savills, Unex House, 132-4 Hills Road, Cambridge, CB2 8PA
Solicitors	Barr Ellison, 39 Parkside, Cambridge, CB1 1PN Mills & Reeve, Botanic House, 98-100 Hills Road, Cambridge, CB2 1PH

Our auditor Peters, Elworthy and Moore transferred their audit registration and therefore that part of their business to a newly incorporated limited company, PEM Audit Limited, on 1 September 2025. Accordingly, Peters Elworthy and Moore ceased to be the College’s auditor with PEM Audit Limited being appointed to fill the vacancy arising.

Membership of the Governing Body

The members of the Governing Body of the College, as at 30 June 2025, are set out below:

Provost: Dr Gillian Tett

Fellows (Senior Members of the Governing Body)

Dr Zoe Adams	Professor Ingo Gildenhard	Dame Judith Mayhew Jonas
Dr Ronojoy Adhikari	Professor Christopher Gilligan CBE	Professor Dan McKenzie
Dr Tess Adkins	Professor Simon Goldhill	Professor Campbell Middleton
Dr Sebastian Ahnert	Dr David Good	Dr Jonah Miller
Professor Anna Alexandrova	Professor Caroline Goodson	Dr Fraz Mir
Professor John Arnold	Professor Gillian Griffiths	Dr Perveez Mody
Dr Nicholas Atkins	Professor Mark Gross	Professor Geoffrey Moggridge
Professor Gareth Austin	Professor Henning Grosse Ruse-Khan	Dr Kamiar Mohaddes
Dr Seda Basihos	Professor Cesare Hall	Dr Ken Moody
Professor Mike Bate	Dr Iris Hardedge	Dr Basim Musallam
Dr Umang Bhatt	Professor Ross Harrison	Dr Rory O'Bryen
Dr Francesco Bianchini	Dr Tiffany Harte	Professor Rosanna Omitowoju
Dr Marcus Böick	Mr Apinan Hasthanasombat	Professor Robin Osborne
Dr Giulia Boitani	Dr Katie Haworth	Professor John Perry
Dr Shannon Bonke	Ms Lorraine Headen	Dr Sophie Pickford
Professor Richard Bourke	Professor John Henderson	Professor Christopher Prendergast
Dr Mirjana Bozic	Dr Felipe Hernandez	Professor Michael Proctor
Professor Angela Breitenbach	Dr Katherine Herrity	Professor Surabhi Ranganathan
Professor Judith Browne	Dr Ryan Heuser	Dr Benjamin Ravenhill
Professor Nicholas Bullock	Dr Myfanwy Hill	Professor Thomas Roulet
Dr Katherine Campbell	Dr David Hillman	Professor Robert Rowthorn
Professor Matei Candea	Dr Stephen Hugh-Jones	Dr Angus Russell
Dr Keith Carne	Professor Dame Caroline Humphrey DBE	Professor Paul Ryan
Professor Richard Causton	Dr Said Reza Huseini	Professor Hamid Sabourian
Rev Dr Stephen Cherry	Professor Alice Hutchings	Dr Andjela Sarkovic
Dr Ivan Collister	Mr Daniel Hyde	Dr Georgia Seabra Nesseh
Professor Francesco Colucci	Professor Martin Hyland	Professor Jason Sharman
Dr Sarah Crisp	Ms Polly Ingham	Dr Michael Sonenscher
Dr Laura Davies	Professor Ian James	Dr Sharath Srinivasan
Professor Anne Davis	Professor Mark Johnson	Professor Gareth Stedman Jones
Professor Peter de Bolla	Mr Peter Jones	Dr James Taylor
Dr James Dolan	Dr Dale Kedwards	Professor Nicholas Tosca
Professor John Dunn	Dr Aileen Kelly	Dr Marco Tripodi
Dr Mark Dyble	Professor Barry Keverne	Dr Sophie Turenne
Professor George Efstathiou	Dr Philip Knox	Professor Caroline Van Eck
Professor Aytek Erdil	Dr Patrycja Kozik	Professor Bert Vaux
Dr Sebastian Eves-Van den Akker	Professor James Laidlaw	Professor James Vicary
Professor Elisa Faraglia	Professor Richard Lambert	Dr Rob Wallach
Professor James Fawcett	Dr Zhuangnan Li	Dr Dror Weil
Professor Iain Fenlon	Professor Charlie Loke	Professor Darin Weinberg
Dr Timothy Flack	Professor Sarah Lummis	Professor Godela Weiss-Sussex
Professor Robert Foley	Professor Alan Macfarlane	Dr Thomas White
Professor Matthew Gandy	Dr Cicely Marshall	Professor John Young
Professor Chryssi Giannitsarou	Professor Nicholas Marston	Professor Nicolette Zeeman
Professor Lord Anthony Giddens	Professor Jean Michel Massing	

Members *in Statu Pupillari* (Junior Members of the Governing Body)

Ms Emily Kelly	Mr Ms Fee Robinson
Mr John Teare	Mr Benjamin Warner

Trustees' report

Overview

King's College, Cambridge is one of the thirty-one colleges within the University of Cambridge. It is an independent, self-governing community of scholars with its own property and income. The College was founded in 1441 by King Henry VI for 'poor and needy scholar clerks, engaged in study within the University of Cambridge in the diocese of Ely, and bound to study and progress in the different departments of learning and skill'.

Aims and objectives

The College's charitable objects are: (i) to maintain a College within the University of Cambridge dedicated to the advancement of education, religion, learning and research; and (ii) to provide for and conduct divine service within the College.

Public benefit

In setting about achieving its charitable objects, the College pursues several aims for the public benefit. These are to:

- Provide an education for undergraduates and graduate students, in conjunction with the University of Cambridge, that is recognised internationally as being of the highest standard. This education develops students academically and advances their broader intellectual qualities. The College maintains teaching, library, and study facilities in support of these activities.
- Foster an intellectual and social environment that supports students' personal development so that they can play full and effective roles in society. The College, with the assistance of the King's College Student Union and King's College Graduate Union, funds and provides for a wide range of extracurricular activities, including sports, music, theatre, and other creative and cultural activities. The College runs a programme of careers events and activities, as well as the King's Entrepreneurship Lab to support those students interested in entrepreneurial careers. The College provides extensive pastoral support with each student having access to a Tutor, who is a College Fellow or Bye-Fellow. The College's Healthcare Centre provides services, in collaboration with the University, to support students' wellbeing and mental health.
- Admit students who have the highest potential to benefit from the education provided by the College and the University, regardless of their gender, sexual orientation, age or educational, social, ethnic or personal background. The College provides financial support to its students through scholarships, awards and prizes to fund fees, maintenance, research and travel costs. It contributes with the University and other colleges to the Cambridge Bursary scheme, which is the primary mechanism of financial support for undergraduates to study at Cambridge.
- Curate an intellectual and social environment that supports research at the highest level and offers a fertile ground for novel and collaborative research approaches. King's recruits Fellows most able to contribute to the academic excellence of the College, regardless of their financial, social, religious, or ethnic background. As well as a range of in-kind benefits, events and social interactions, King's provides grants and other funding to support the research work of Fellows. King's further advances research by providing stipendiary Research Fellowships to outstanding academics in the early stages of their careers, enabling them to develop and focus on their research, and to begin their career in the most intellectually profitable way. Assisted by its benefactions, the College also supports larger research programmes which provide funding for Research Fellows and graduate scholarships related to particular disciplinary and research themes.

- Continue the tradition, preserved since its foundation, of the College Chapel as a place of spiritual and ethical reflection. Regular services are held, which are open to the public, as well as a programme of larger events, including the famous service of *Nine Lessons and Carols* traditionally broadcast on Christmas Day. The College employs a Dean and Chaplain, who provide for Christian spiritual care for the students, non-academic staff, and Fellows.
- Conserve and improve the College's buildings and grounds, preserving their historic significance and creating outstanding facilities for the intellectual and social life of King's. The College allows public access to its gardens and world-famous Chapel throughout the year.
- Use the College's resources sustainably, preserving intergenerational equity and securing the future success of the College as an institution of higher education.

The trustees have had due regard throughout the year to the Charity Commission's guidance on public benefit and consider that the College again delivered its planned public benefits in 2024-25.

Governance

The governing documents of the College are its Statutes and Ordinances of 1441, as amended from time to time. The charity trustees are the College Council, which is responsible for the general administration and management of the College and for ensuring compliance with charity law. The members of the Council are the Provost and ten Fellows, elected by the College's Governing Body for one-year terms. Council members may serve a maximum of four consecutive terms. The College Council meets on average five times per term, or more frequently as necessary.

The Governing Body of the College is the ultimate authority in the government of the College. It includes the Provost, all eligible Fellows and four students, at least one of whom is an undergraduate and one a post-graduate. Student representatives are elected by the College's undergraduate and post-graduate students. They attend for the discussion of all matters directly affecting the interests of the College's students. The Governing Body meets twice a term or more frequently as necessary. A register of interests is recorded for all members of the Governing Body. Unreserved minutes of the Governing Body and College Council are published on the College's website.

The principal officers of the College are the Provost, who is responsible for general oversight of the College, the Vice Provost, who deputises for the Provost and looks after the interests of the Fellows, the First Bursar who has responsibility for the College's finances and administration, and the Senior Tutor who has overall charge of education within the College. Additionally, the Director of Research oversees research activity within the College, the Domus Bursar is responsible for the College's operations and estate, the Dean is charged with all activities within the College Chapel, the Director of Music is responsible for the College Choirs and music within the College, and the Director of Development oversees fundraising and alumni relations.

The Council and Governing Body are advised by several committees, each addressing a distinct area of College activity and whose members comprise Fellows and student members, elected annually. It is the duty of the Finance Committee to advise Council on the effectiveness of the College's internal systems of financial controls and risk management. The Governing Body appoints an Audit and Scrutiny Committee to act as internal auditors. The Committee considers reports from those auditors and makes an annual report to the Council and the Governing Body. Non-academic staff remuneration is determined by the College's Human Resources Committee. Fellows' remuneration, including that of College Officers, is decided by a Remuneration Committee, which is formed of four external and three internal members and is chaired by an external member. The College maintains a conflicts of interest policy and systematically requires declarations of interest at all committee meetings.

The Visitor of the College is the Bishop of Lincoln.

Activities and achievements

Introduction

2024-25 saw continued progress against the College's strategic aims, notwithstanding pressures on the higher education sector. In recent years King's has made significant investments in its academic life and in our engaging community of students, scholars and non-academic staff. We have also begun to strengthen our communications, not least to attract the outstanding students and academics who will be part of King's future. The intention, over three to five years, is for King's to emerge from the pandemic years as a revitalised, secure and intellectually vibrant institution. The focus of our efforts is across three themes:

1. Academic strength

We believe that academic excellence comes from the combination of world-class research and outstanding teaching. In this regard, an important step this year was the appointment of a Research Director. This role, supported by a deputy, will oversee the enhancement of the already rich research life of the College. Initial priorities include the further development of interdisciplinary exchange, identification of new research collaborations, further mechanisms to support novel research ideas and the expansion of programmes of workshops, seminars and other events.

For our undergraduate and postgraduate students, an ongoing focus has been the strengthening of our teaching environment. King's takes undergraduates in every Tripos subject, except Land Economy, Education and Veterinary Medicine, and collectively our Fellows provided several thousand hours of teaching. Supervision sizes are dictated by teaching need, rather than other factors, and were most frequently given to pairs of students. This work is led by College Fellows and was enhanced in the year through additional support to Directors of Studies and strengthening of the Tutorial team. Additional funding was made available to Fellows to organise supra-curricular academic events, and our Academic Skills advisor continues to support our undergraduate and post graduate students to reach their full potential.

The College continued to expand its provision for students' personal and intellectual development. This included a strong year for our summer research programme, in which students were funded to remain in College over the summer vacation and to work with one of our Fellows on a six-to-ten-week research project. Several students have gone on to publish their research or pursued postgraduate research on topics first encountered on their Summer Research placement. The Entrepreneurship Lab also saw a further enhancement of its programmes through 'Spark', a new incubator programme developed in partnership with Founders at the University of Cambridge. This exciting initiative helps participants to formulate their entrepreneurial ideas, develop early-stage products and bring social and commercial ventures to action.

Alongside these priorities, the outstanding academic work of our students and Fellows is nurtured within a supportive and compassionate environment. This is reflected in our commitment to high levels of pastoral support for our students, and in a wide range of other activities and initiatives. After strengthening our student health and wellbeing provision last year, through our Healthcare Centre, further investment was made in the year to increase the number of Tutors providing pastoral support to students. A further step was the appointment of a Head of Graduate Affairs, to oversee pastoral provision for our graduate students and to mirror an arrangement already in place for our undergraduates.

These activities were supported by the College's outreach initiatives, which we continued to expand during the year. Ongoing work included the College's successful bridging programme (supporting incoming students) and mentoring and tutoring for students in the run-up to A-Level examinations. In

April, we launched our first 'Calculating Women' residential, aimed at encouraging female students to consider maths-based careers and degrees through maths-based games (including an 'Escape Room'). We also began a new attainment-raising residential called 'Maths from Underground', our longest outreach residential to-date with students spending three nights in College. Our outreach activities also saw the third iteration of our 'Small Subjects' residential, on the theme of 'AI and the Other', and the second year of our language-based residential 'World of Words'. The College also piloted a 'Language Bus': an online day of language-based workshops which, in 2026, we hope to take 'on the road'.

This year also saw the beginning of our partnership with IntoUniversity, establishing a learning centre in the Northeast of England, where we focus much of our access work. The centre supports students from years six through thirteen and is part of a broader, evidence-based programme of support for promising students working towards a university education. IntoUniversity centres provide spaces for children to learn and explore, raising aspirations and attainment, and supporting schools and families to help students into higher education. King's Fellows, staff and students attended the launch event for the centre in March, and the Admissions Team have already begun collaborating on numerous projects in what the College hopes will be a long and successful partnership.

2. Community environment

King's is proud of the strength of its community and the friendliness shared amongst our students, Fellows and non-academic staff. The College is committed to more progressive approaches in the support of all members of the community, with a particular emphasis on provision for our students.

In the year, King's continued to provide a significant proportion of current students with financial assistance through scholarships, bursaries and other grants – many of which were made possible through generous donations to the College. As well as ongoing funding for student societies and social activities, the College also introduced various measures to support students in lieu of weakening financial support from the state. Significant changes to our accommodation costs were introduced this year, resulting in a net decrease in charges and a new approach that will protect future students from inflation volatility. Lower catering charges were also introduced, in support of students and Fellows facing pressure on their personal finances.

The College continued the progressive approach of recent years in support of our academic and non-academic staff. Funds were set aside for people facing financial pressures and the College continued to enhance benefits for academic and non-academic staff. For its lower-paid staff, King's again implemented a progressive pay award, providing these employees with greater support and reducing the ratio between the highest and lowest paid across the College.

The College also implemented various measures to support and protect community life. These included a stronger team to assist visitors to the College, providing a more welcoming face to King's and supporting the privacy of our students and academics. A shift is also underway in our conferencing activity, with an emphasis on summer schools and programmes whose activities align with our educational mission.

Alongside these changes, King's has continued to invest in its facilities and built environment. In the year, this included a strengthened facilities team that began an expansive programme of improvements and upgrades to the College's buildings and key services. Amongst these were the creation of a Junior Combination Room, in a suite of rooms previously occupied by the College café, and a substantial refurbishment of the Graduate Suite, formerly the residential set occupied by E. M. Forster.

While major capital works within the College were relatively limited this year, King's was delighted to approve the refurbishment of the Cambridge Arts Theatre, generously supported by the Gatsby Foundation. The College continued to develop its plans to renovate the Gibbs building, which accommodates much of the Fellowship and is the location for much of the College's teaching. In support of enhanced student facilities over the long term, the College also made an offer to purchase a nearby site, on Mill Lane, subject to the relocation of current occupants by July 2027.

3. Telling our story

King's academic excellence depends on the College's ability to attract the very best students and scholars. That relates to our outreach, to the intellectual life of the College's members, and also to our engagement with current topics in academic and public life.

In support of this aspect of the College, we have recently invested in an expanded communications team. This now supports the College's many publications (including our alumni magazine, *King's Parade*) as well as digital communications and social media, engaging with current and prospective students, an active programme of public events and the College's other external and media relations. A significant step this year was the launch of a new College website. This was comprehensively redesigned to support prospective students interested in King's and to help our current students engage more deeply in the life of the College. The new website will, in time, provide a platform to showcase Fellows' research and King's wider intellectual and cultural activities.

Alongside this wider engagement, we seek wherever we can to collaborate with our alumni, drawing on their ideas and ambitions for the College. This year, some extraordinary gifts from alumni allowed the College to reach its £100 million fundraising goal. This remarkable achievement, shaped over the last seven years, is testament to the attachment people feel to King's and the continued involvement of many alumni in the life and development of the College. Importantly for our commitment to access and outreach, over half the donations received during the campaign were for student support. In the year, the campaign's total was met by a remarkable gift from the Gatsby Foundation in support of the King's Entrepreneurship Lab. Other substantial donations in the year provided funding for no less than five research fellowships. The College's acquisition of papers from Alan Turing's *Delilah Project*, on voice encryption, was also made possible through a generous donation.

Future plans

Plans for the coming year will continue to be shaped by the three thematic priorities described above. This will involve sustained investment in academic improvements in all aspects of the daily life of King's, and ongoing work to share our intellectual and cultural life with our alumni and wider audiences. In pursuit of these objectives, the College has targeted breakeven in its management accounts in the near term, notwithstanding continued headwinds facing the higher education sector.

Further information

King's supported over eight hundred full- and part-time students through the 2024-25 academic year. The total number of undergraduate and postgraduate students in residence and registered with the University were:

	2020-21	2021-22	2022-23	2023-24	2024-25
Undergraduates	458	454	466	466	467
Postgraduates	294	320	326	333	359
Total	752	774	792	799	826

At 467, the undergraduate population remained slightly higher than the College's target of 450. Higher postgraduate numbers reflect a larger in-take of part-time students.

The College's undergraduate finalists gave a robust performance in Tripos, with 90% gaining an upper second or better and 26% receiving a first-class degree. Recent trends in Tripos examinations for King's undergraduates in all years are set out below:

	2020-21	2021-22	2022-23	2023-24	2024-25
First	33%	25%	24%	24%	21%
2:1 or higher	85%	78%	79%	78%	81%

Looking ahead to 2025-26, King's made offers to 161 students of which 82% were from UK schools and, of those, 69% were from maintained or non-fee-paying schools. Trends in admissions offer statistics (reflecting 'apply years', rather than those when students are admitted) are as follows:

	2020-21	2021-22	2022-23	2023-24	2024-25
Offers	162	155	156	159	161
UK schools	76%	83%	81%	77%	82%
State schools	76%	78%	87%	80%	69%

While the proportion of offers to students from state schools declined from recent years, acceptances were more buoyant. 75% of students who accepted an offer from King's in 2024-25 were from maintained or non-fee-paying schools.

Underpinning the academic life of the College, King's continued to support its large Fellowship. The College provided for 78 Official Fellows, 15 Research Fellows and 43 Life Fellows in the year. King's also admitted four Bye-Fellows. The College reappointed five College Research Associates and appointed a further eleven such Associates, each working on exciting projects, five in the Sciences, three in the Arts and Humanities and three associated with the Entrepreneurship Lab.

Several of our Fellows received awards for their research during the year. Amongst these, George Efstathiou was awarded (jointly, with Dick Bond) the 2025 Shaw Prize in Astronomy for 'pioneering work in cosmology, in particular for their studies of the fluctuations in the cosmic microwave background'. Professor Azim Surani was awarded the prestigious Kyoto prize for his discovery of genomic imprinting in mammals and elucidation of molecular mechanisms. Surabhi Ranganathan was awarded the Max Planck-Humboldt Research Award for 2025.

Financial review

Scope of the financial statements

The consolidated financial statements include the College and the College’s wholly owned subsidiaries, King’s College Cambridge Enterprises Limited and King’s College Cambridge Developments Limited. Together, these entities comprise the Group. References to the College in the Financial Review refer to the results of the Group.

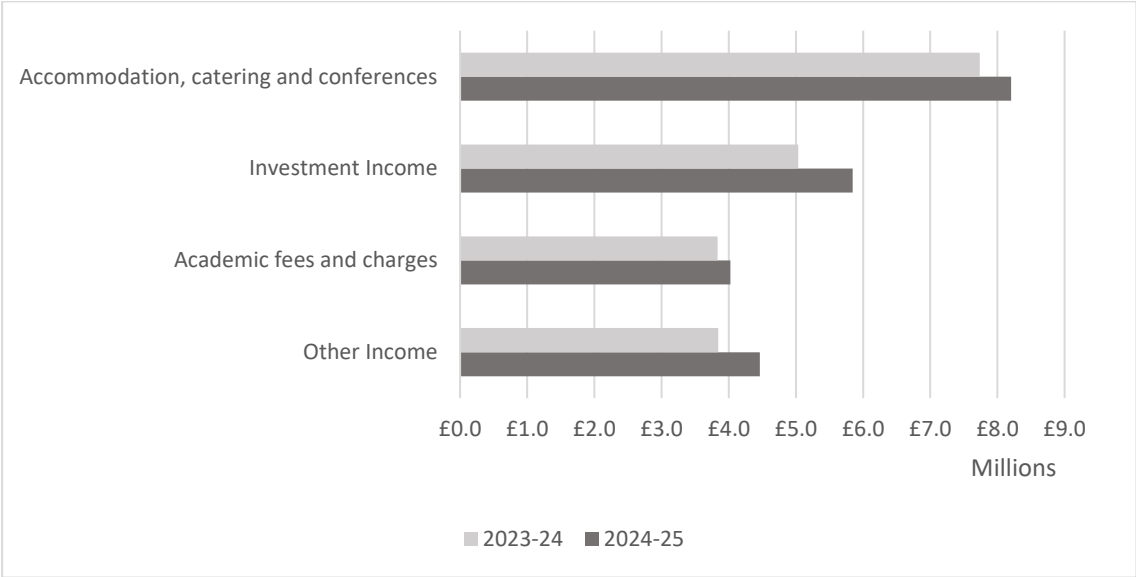
The financial statements are produced by the College having regard to the Recommended Cambridge College Account (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners.

Results overview

Income before donations and endowments

Income before donations and endowments grew 10% from £20.4m in 2024 to £22.5m in 2025. Growth came from all areas, including a 17% increase in visitor income and a 4.4% increase in accommodation income, driven by improved occupancy levels.

Investment income received in the year rose 16%. This compared favourably to a slight fall in 2024, however both changes were largely due to timing differences rather than underlying performance. This remained stable. The College has a ‘spending rule’ that sets the maximum withdrawal from the endowment at 3.85% of the average year-end value of the endowment for the preceding five years. This is designed to reduce the effect on income of fluctuations in investment returns. The total investment income, net of fees, distributed to unrestricted and restricted funds including the spending rule was £7.7m in 2025, a 3% increase on 2024.

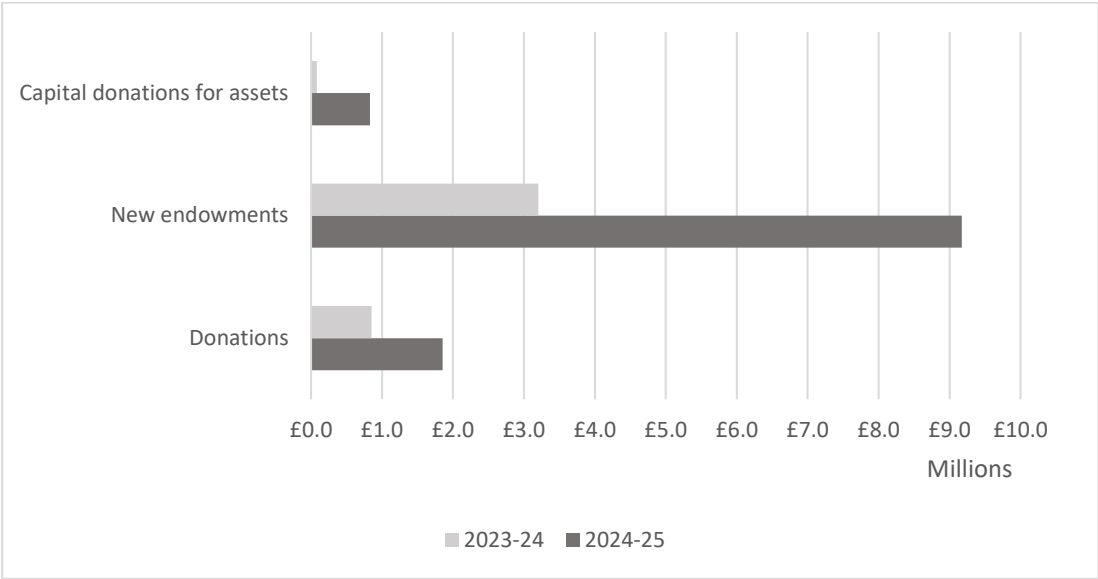


Income from donations and endowments

King’s fundraising is focused on five areas: student support, including bursaries and scholarships; teaching and research; maintenance and development of the College estate; extracurricular activities; and a ‘future fund’ to support the College’s long-term development.

Total donations and endowments rose from £4.1m in 2024 to £11.9m in 2025. This was driven by three large new endowments to support Research Fellowships as well as generous support for our undergraduate and graduate community. Total income from donations and endowments was above the College’s long-term run rate, in part reflecting several years of historically high donations in support

of major capital works. The College’s participation rate in the year was 11% of the non-resident members for whom it had contact details. Fundraising costs during the year amounted to £0.6m, implying a strong return in the year of 18x (7x in 2024).



King’s College is committed to best practice in relation to all fundraising activities, which are carried out by an in-house Development team who are subject to the scrutiny of the Development Committee and College Council. The College did not engage any third parties to carry out fundraising activities on its behalf during the year. The College is registered with the Fundraising Regulator and has set up internal protocols and procedures to adhere to the Code of Fundraising Practice as a set of guiding principles to ensure fundraising is legal, open, honest and respectful. The College received no formal complaints in the year.

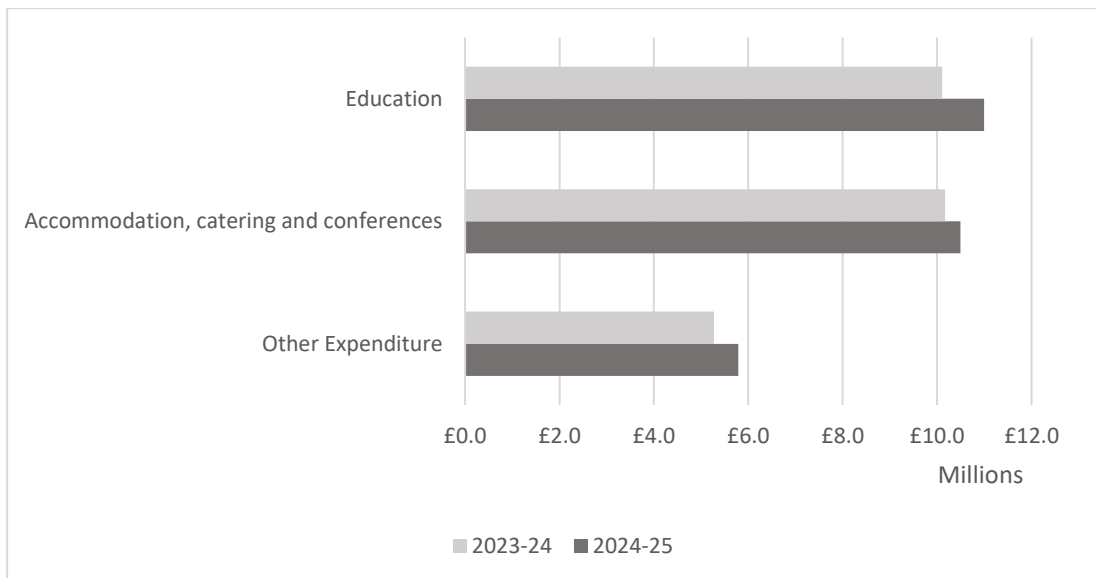
Expenditure

Total costs rose by 16% in the year, though this was largely the result of an exceptional £2.0m pension provision credit for the Universities Superannuation Scheme recorded in the financial year ending in 2024. Excluding the impact of this one-off item, expenditure rose in 2025 by 7%.

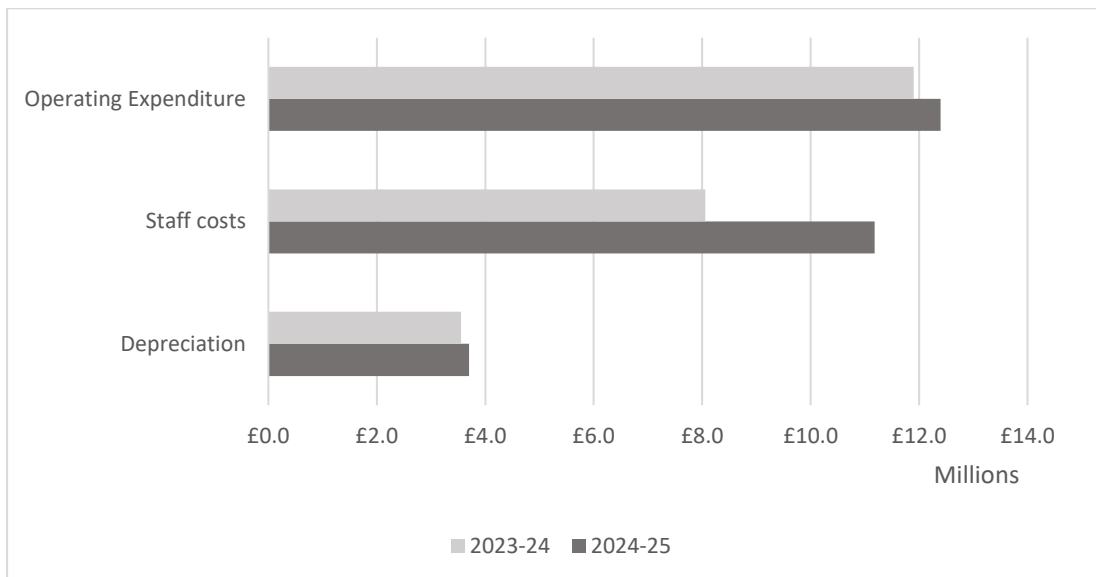
Within this, education costs increased by 9%, driven in part by a 25% rise in student support costs, supported by existing funds and new donations. In addition, supervision, Director of Studies and Tutor costs rose by 16%, reflecting higher rates of pay and the appointment of new Tutors to strengthen our pastoral care.

Accommodation, catering, and conference costs were 3% higher than in 2024. Other expenditure rose by 10% compared with 2024. This included a 25% increase in visitor-related costs, largely reflecting the recruitment of additional staff to support the privacy of our students and Fellows. Choir expenditure also rose 15% with more tours undertaken than in 2024.

These movements are reflected in the chart below.



The expenditure involved in the activities above is composed of staff costs, other operating expenditure and depreciation. These are broken out in the chart below.



Staff costs rose 11%, excluding the impact of the exceptional pension provision credit last year. Alongside increases in pay, this growth in expenditure was driven by the recruitment of additional staff, notably to support our tutorial and research activities, and visitor staff to support the privacy of our students and Fellows.

Operating expenditure rose by 4% in 2025. This included additional funding for student support and research, as well as for expenditure for choir tours and visitor services, as described above. These increases were partly offset by a 16% reduction in utility costs.

Depreciation rose 4% in the year following the completion of the Spalding Hostel capital project and other recent capital works.

Capital expenditure

The College’s capital expenditure on tangible fixed assets was £2.3m in 2025, a fall from £7.6m in 2024. Expenditure in 2024-25 included ongoing repairs to the Chapel and wider College estate.

Balance sheet

Consolidated net assets were £471.4m for the Group, up £17.1m from 2024. This growth was driven mainly by a 7% increase in investment assets (see below). The College holds £15.4m debt at a rate of 4.4% repayable between 2043-2053. At 30 June 2025, borrowing stood at 3% of total assets less current liabilities. There was no new borrowing in the year.

Reserves

Unrestricted reserves grew by £2.3m to £266.9m. This included £246.3m of tangible fixed assets and heritage assets, implying 'free reserves' of £20.6m. Free reserves provide working capital to fund unexpected opportunities or to provide a degree of protection against unforeseen expenditure or unanticipated loss of income. The College's free reserves in 2025 saw a growth of £3.4m from 2024. Current free reserves amount to approximately one year of unrestricted operational expenditure. The College targets free reserves of at least 6 months of unrestricted operational expenditure.

Restricted reserves for 2025 were £204.5m, an increase of 8% (£14.7m) on 2024. This was driven by investment returns and new donations, offset by spending down of expendable funds.

Endowment and investment performance

The College has a pool of capital (known as the 'Endowment') invested for the long-term to support its charitable activities (see note 12).

The College aims to manage the total return from the Endowment so that the long-term capital value is preserved in real terms, such that the College can fulfil its charitable objects in perpetuity. The College targets a long-term total return of CPI + 3.85% gross of investment management fees. Within this, the College believes it has a responsibility for its investments. The College has published a Statement on Responsible Investment that accompanies its Investment Policy. Implementation of the Statement was ongoing at the end of the financial year.

The total value of the Endowment was £232.5m in 2025, up from £218.3m in 2024. Performance of the College's investments was 7%. Growth was recorded across all asset classes, and no withdrawals were required during the year to support the College's capital expenditure or cash reserves. Notwithstanding capital markets volatility in recent years, the long-run performance of the Endowment is in line with the College's return objective.

Principal risks and uncertainties

The major risks to which King's is exposed are assessed by the Finance Committee reporting to Council, using the College's Risk Register. The principal risks the College must address relate to its ability to maintain and develop its educational and research activity and, as part of that, to attract the best academic and non-academic staff, and to maintain and enhance its physical facilities.

Key financial uncertainties and risks, and the measures taken to manage them, are:

- Weak or volatile macro environment preventing recovery of operating surplus. The College has prepared scenario forecasts around the recovery of operating surplus, investment income, and investment valuations, and is reviewing this on an ongoing basis as the macroeconomic, geopolitical and UK policy contexts evolve. The College's processes for in-year performance management include a regular assessment of income and expenditure across departments and early identification of variances against forecasts.

- Movements in investment markets reducing the value of the Endowment. The College's Investments Committee considers, with independent advice, what is the sustainable investment return and reports this to the Annual Congregation. The target spending rate is set at a prudent level to preserve the Endowment in real terms, and the Investment Committee aims to reduce volatility so as to protect the College's income from rapid changes in the investment markets.
- Unexpected in-year operational or capital expenditure. The College regularly monitors spending across all departments and material variances are discussed by the Finance Committee with appropriate actions taken in response. Significant in-year changes require approval from the College Council and, for larger sums, from the Governing Body. The risk of financial errors or fraud is mitigated by controls set out in financial regulations and monitored by the Finance department. The condition of the College estate is assessed through regular surveys, the incidence of complaints or accidents, and maintenance and refurbishment activity is undertaken with appropriate resourcing to preserve the condition of estate. Other operational risks with a financial impact are monitored through the College's Risk Register with appropriate mitigations regularly reviewed.

The College monitors and manages risks more widely through the internal control processes outlined in the Statement of Internal Control below.

Responsibilities of the College Council

The Council is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the *Statement of Recommended Practice: Accounting for Further and Higher Education*.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the College will continue in operation.

The College has prepared a detailed budget covering the period to 30 June 2026 as well as a five-year forecast of expected demands on the College's operating position and capital expenditure. Accordingly, the trustees believe the College's financial resources are sufficient to ensure there are no material uncertainties around its ability to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and have therefore prepared the financial statements on the going concern basis.

The Council is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding

the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement of Internal Control

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

The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established. The Council has sixteen regular meetings each year and, as part of the annual planning round, considers the major risks to which the College and its subsidiary undertakings are exposed and satisfies itself that systems or procedures are established to manage those risks.

Key controls used by the College include:

- Strategic planning, budgeting, management accounting and cashflow forecasting;
- Authorisation and approval levels;
- Risk-management process overseen by Finance Committee;
- Formal agendas and clear terms of reference for all committee and Council activity; and
- Formal written policies in significant areas such as health and safety and safeguarding.

The College is improving these controls through various refinements, including financial reviews of key departments, and increased resourcing of central functions, including Finance, Legal and Governance, and Human Resources.

The Council's oversight of internal controls is informed by the work of the committees and College Officers, including the College Audit and Scrutiny Committee, and by comments made by the external auditors in their management letter and other reports.

Outlook

King's is fortunate to have significant operational capabilities and investment assets in support of its charitable mission. These have allowed the College to continue to invest in a difficult environment. The progress made in recent years will provide long-term resilience for our provision and wider community. Equally, we believe the issues facing the higher education sector pose significant

challenges to the further development of the College. In response, we continue to refine our priorities in support of our educational provision, research and unique intellectual and social environment.

On behalf of College Council,



Gillian Tett
Provost



Ivan Collister
First Bursar

4 December 2025

Independent Auditors' Report to the Council and Governing Body of King's College, Cambridge

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions related to going concern

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

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the College Council

As explained more fully in the responsibilities of the College Council statement, set out on page 14, the College Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the College Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the College Council are responsible for assessing the Group's and College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the College Council 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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;

- assessed whether judgements and assumptions made in determining the accounting estimates set out on page 29 were indicative of potential bias;
- we used Audit Data Analytics to review the client data for unusual anomalies;
- we performed substantive testing for a sample of donations from Raiser’s Edge to supporting documentation to ensure that all income was appropriately recognised in the general ledger in the correct period and any restrictions appropriately recognised;
- we also tested a sample of donations around the year end and discussed ongoing legacies with the Development Office to ensure cut off had been correctly applied; and
- we performed substantive testing for a sample of conferences from the booking system to invoice to ensure that all income was appropriately recognised in the general ledger in the correct period.

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

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

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

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

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

Use of our report

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

PEM Audit Limited

PEM Audit Limited

Registered Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 8 December 2025

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 8.

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

Going concern

The Trustees have prepared forecasts for the period to 2028 and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its income sources and cost base in order to assess its short- and medium-term financial position. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

Basis of accounting

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

Basis of consolidation

The financial statements incorporate those of the College and the College's subsidiaries, King's College Cambridge Developments Limited and King's College Cambridge Enterprises Limited.

The accounts do not include the activities of the King's College Student Union and King's College Graduate Society, on the basis that the College does not have control over the operations of these entities.

Recognition of income and investment return

Academic fees

Academic fees are recognised in the period to which they relate and include 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 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 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 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 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 College operates a total return policy with regard to its endowment assets (including property). Spendable income equivalent to 3.85% of the average endowment for the last five years is included as endowment income and investment management costs are charged against capital.

Other income

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

Cambridge Bursary Scheme

The Cambridge Bursary Scheme (CBS) administration has changed from 2016/17:

- The Student Loan Company (SLC) assesses the students for CBS eligibility.

- The SLC pays the student direct for the CBS payment and then takes the money from the College by direct debit.
- At the end of term, the University provides the College with a list of students and a breakdown of the University and College contributions.

The College has shown the gross payment made to eligible students and a contribution from the University as Income under “Academic Fees and Charges.

The net payment of £201k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£254k
Expenditure	£455k

Foreign currency translation

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

Pension schemes

The College pays contributions to three pension schemes which provide benefits to its members based on final pensionable salary and one defined contribution pension scheme, ‘NOW: Pensions’. The assets of these schemes are held separately from those of the College.

Universities Superannuation Scheme

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

Cambridge Colleges Federated Pension Scheme

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

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date for accounting purposes. The assets of the Scheme are measured at fair value, and liabilities are estimated on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond. The resulting net asset or liability is presented separately after total assets less current liabilities on the face of the balance sheet.

Church of England Funded Pensions Scheme

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

NOW: Pensions

The College also operates a defined contribution scheme NOW: Pensions. This is a UK multi-employer pension fund and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Fixed assets

Land and buildings

College land and buildings used for operational purposes (to house College Members) are stated at depreciated replacement cost at the 30 June 2024 following a revaluation review carried out by professional valuers, Gerald Eve. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives with a range for the different buildings (excluding the Chapel) between 45 years to 115 years. The Chapel is depreciated over 200 years. Freehold land is not shown separately and is not depreciated. Assets 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.

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.

Maintenance of premises

The cost of major refurbishment is capitalised and depreciated over the expected useful economic life. The cost of routine maintenance under £10,000 is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

Plant, furniture, fittings and equipment

Plant, furniture, fittings and equipment are capitalised at cost. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets, which are as follows:

Plant	20 to 35 years
Furniture and equipment	10 years
Computer equipment	5 years

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 July 2006 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 2006 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Securities

Securities listed on a recognised stock exchange are shown at their market value, i.e. the middle market quotation ruling at the close of business on 30 June, translated for overseas investments into sterling at the rates of exchange ruling at that date. Unlisted securities are shown at the Governing Body's estimate of fair value.

Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included as earned. Interest purchased or sold as part of the price for investments is treated as capital rather than being brought into the statement of comprehensive income and expenditure.

Properties

The College has used external advisors to carry out desktop valuations of its investment properties and carries out a full valuation periodically.

Other investments

Shared equity housing interests are stated at cost. Royalties are held at valuation and are valued periodically by independent valuers.

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

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

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 and Expenditure. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

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

Financial liabilities

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

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

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income and Expenditure 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.

Employment benefits

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

Reserves

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

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

Taxation

The College is a registered charity (number 1139422) 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.

Critical accounting estimates and judgements

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

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

- Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.
- Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 10.
- Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.
- Investment property – Properties are revalued to their fair value at the reporting date by either Bidwells or Savills. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.
- Retirement benefit obligations – The cost of defined benefit pension plans 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 25.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. 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 25.

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

Statement of Comprehensive Income and Expenditure

Year ended 30 June 2025

	Note	2025 Unrestricted £000	2025 Restricted £000	2025 Endowment £000	2025 Total £000	2024 Unrestricted £000	2024 Restricted £000	2024 Endowment £000	2024 Total £000
INCOME									
Academic fees and charges	1	3,770	254	-	4,024	3,536	299	-	3,835
Accommodation, catering and conferences	2	8,205	-	-	8,205	7,738	-	-	7,738
Investment income	3	829	547	4,468	5,844	642	571	3,823	5,036
Endowment return transferred	3	3,071	3,209	(6,280)	-	3,064	3,140	(6,204)	-
Other income	4	4,461	-	-	4,461	3,841	-	-	3,841
Total income before donations and endowments		20,336	4,010	(1,812)	22,534	18,821	4,010	(2,381)	20,450
Donations		1,193	662	-	1,855	444	408	-	852
New endowments		-	3,505	5,666	9,171	-	3,182	22	3,204
Capital donations for assets		-	829	-	829	-	82	-	82
Total Income		21,529	9,006	3,854	34,389	19,265	7,682	(2,359)	24,588
EXPENDITURE									
Education	5	6,721	4,272	-	10,993	6,436	3,673	-	10,109
Accommodation, catering and conferences	6	10,232	260	-	10,492	9,930	238	-	10,168
Other expenditure	7	3,853	1,194	610	5,657	3,255	1,159	742	5,156
Change in USS pension deficit recovery provision contributions	17	-	-	-	-	(2,040)	-	-	(2,040)
Contribution under Statute G,II		132	-	-	132	118	-	-	118
Total expenditure		20,938	5,726	610	27,274	17,699	5,070	742	23,511
Surplus/(deficit) before other gains and losses		591	3,280	3,244	7,115	1,566	2,612	(3,101)	1,077
Gain/(loss) on investments		1,023	1,536	7,206	9,765	1,888	4,705	15,304	21,897
Surplus for the year		1,614	4,816	10,450	16,880	3,454	7,317	12,203	22,974
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		-	-	-	-	-	-	-	-
Actuarial gain/(loss) in respect of pension schemes	17	217	-	-	217	175	-	-	175
Total comprehensive income for year		1,831	4,816	10,450	17,097	3,629	7,317	12,203	23,149

The notes on pages 35 to 57 form part of these accounts.

Statement of Changes in Reserves

Year ended 30 June 2025

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2024	264,553	69,632	120,145	454,330
Surplus from income and expenditure statement	1,614	4,816	10,450	16,880
Other comprehensive income/(expenditure)	217	-	-	217
Transfer in year	-	-	-	-
Release of restricted capital funds spent in the year	516	(516)	-	-
Balance at 30 June 2025	<u>266,900</u>	<u>73,932</u>	<u>130,595</u>	<u>471,427</u>

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2023	260,557	62,682	107,942	431,181
Surplus from income and expenditure statement	3,454	7,317	12,203	22,974
Other comprehensive income/(expenditure)	175	-	-	175
Release of restricted capital funds spent in the year	367	(367)	-	-
Balance at 30 June 2024	<u>264,553</u>	<u>69,632</u>	<u>120,145</u>	<u>454,330</u>

The notes on pages 35 to 57 form part of these accounts.

Consolidated and College Balance Sheets

As at 30 June 2025

	Note	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
NON-CURRENT ASSETS					
Tangible assets	10	244,089	244,058	245,574	245,481
Heritage assets	11	2,236	2,236	1,839	1,839
Investment assets	12	232,533	232,533	218,340	218,340
Total non-current assets		<u>478,858</u>	<u>478,827</u>	<u>465,753</u>	<u>465,660</u>
CURRENT ASSETS					
Stocks - good for resale		4,205	38	4,202	34
Trade and other receivables	13	3,280	8,596	4,273	10,177
Cash and cash equivalents	14	9,909	8,168	5,185	3,040
Total current assets		<u>17,394</u>	<u>16,802</u>	<u>13,660</u>	<u>13,251</u>
CREDITORS: amounts falling due within one year	15	<u>(7,838)</u>	<u>(7,222)</u>	<u>(7,678)</u>	<u>(7,184)</u>
NET CURRENT ASSETS		<u>9,556</u>	<u>9,580</u>	<u>5,982</u>	<u>6,067</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>488,414</u>	<u>488,407</u>	<u>471,735</u>	<u>471,727</u>
CREDITORS: amounts falling due after more than one year	16	<u>(15,359)</u>	<u>(15,359)</u>	<u>(15,564)</u>	<u>(15,564)</u>
Provisions					
Pension provisions	17	<u>(1,628)</u>	<u>(1,628)</u>	<u>(1,841)</u>	<u>(1,841)</u>
TOTAL NET ASSETS		<u><u>471,427</u></u>	<u><u>471,420</u></u>	<u><u>454,330</u></u>	<u><u>454,322</u></u>
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	18	130,595	130,595	120,145	120,145
Income and expenditure reserve – restricted reserve	19	73,932	73,932	69,632	69,632
		<u>204,527</u>	<u>204,527</u>	<u>189,777</u>	<u>189,777</u>
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted reserve		261,526	261,519	259,179	259,171
Revaluation reserve		5,374	5,374	5,374	5,374
		<u>266,900</u>	<u>266,893</u>	<u>264,553</u>	<u>264,545</u>
TOTAL RESERVES		<u><u>471,427</u></u>	<u><u>471,420</u></u>	<u><u>454,330</u></u>	<u><u>454,322</u></u>

Approved by Council on 18 November 2025 and signed on their behalf by:

Dr Ivan Collister, First Bursar 

The notes on pages 35 to 57 form part of these accounts.

Consolidated Cash Flow Statement

Year ended 30 June 2025

	2025	2024
	£000	£000
Surplus for the year	16,880	22,974
Adjustment for non-cash items		
Depreciation	3,701	3,552
Non-cash donations or donated shares	(2,172)	(25)
Loss/(gain) on endowments, donations and investment property	(9,765)	(21,897)
Pension scheme (credit)/debit	3	(1,975)
(Increase)/decrease in stocks	(4)	(244)
(Increase)/decrease in debtors	993	786
Increase/(decrease) in creditors	(45)	(2,997)
Adjusting for investing or financing activities		
Investment income	(7,656)	(7,416)
Interest payable	667	667
Profit on sale of non-current assets	-	-
Net cash flows from operating activities	<u>2,602</u>	<u>(6,575)</u>
Cash flows from investing activities		
Investment income	5,259	5,558
Non-current investment disposal	362	12,093
Payments to acquire non-current fixed assets	(2,215)	(7,615)
Payments to acquire non-current heritage assets	(397)	(142)
Payments to acquire non-current investments	(220)	(520)
Net cash flows from investing activities	<u>2,789</u>	<u>9,374</u>
Cash flows from financing activities		
Interest paid	(667)	(667)
	<u>(667)</u>	<u>(667)</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>4,724</u>	<u>2,132</u>
Cash and cash equivalents at beginning of year	5,185	3,053
Increase/(decrease) in cash and cash equivalents in the year	4,724	2,132
Cash and cash equivalents at end of the year (note 14)	<u>9,909</u>	<u>5,185</u>

The notes on pages 35 to 57 form part of these accounts.

Notes to the Financial Statements

As at 30 June 2025

1. ACADEMIC FEES AND CHARGES

	2025	2024
	£000	£000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,786	1,792
Fee income received at the Unregulated Undergraduate rate	691	676
Fee income received at the Graduate rate	1,215	1,008
	<hr/>	<hr/>
Total fee income	3,692	3,476
Other academic income	78	60
Cambridge Bursary Scheme	254	299
	<hr/>	<hr/>
Total	4,024	3,835
	<hr/> <hr/>	<hr/> <hr/>

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2025	2024
	£000	£000
Accommodation		
College members	4,561	4,650
International programmes	260	186
Third parties	731	482
Catering		
College members	875	959
International programmes	130	93
Third parties	1,648	1,368
	<hr/>	<hr/>
Total	8,205	7,738
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

3. ENDOWMENT RETURN AND INVESTMENT INCOME

	2025 £000	2024 £000
3a. Analysis of Investment Income		
Income drawdown from endowment (note 3b)	6,280	6,204
Other investment income	547	571
Restrictive covenants	27	-
Rent from King's College School	411	392
Cash balances and shared equity properties	266	116
Royalties	125	134
	<u>7,656</u>	<u>7,417</u>
Gains/(losses) on investment assets:		
Gains on total return investment assets (below)	10,250	22,832
(Losses)/gains on other investment assets	(485)	(935)
	<u>9,765</u>	<u>21,897</u>
3b. Summary of Total Return		
<u>Income from:</u>		
Freehold land and buildings	1,609	1,677
Quoted securities and cash	2,859	2,146
	<u>4,468</u>	<u>3,823</u>
<u>Gains/(losses) on total return</u>		
<u>investment assets:</u>		
Freehold land and buildings	1,612	439
Quoted securities and cash	8,638	22,393
	<u>10,250</u>	<u>22,832</u>
<u>Investment management costs in</u>		
<u>respect of:</u>		
Freehold land and buildings	(381)	(576)
Quoted securities and cash	(229)	(166)
	<u>(610)</u>	<u>(742)</u>
Total return for the year	14,108	25,913
Transfer to income and expenditure reserve (note 3a)	(6,280)	(6,204)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 20)	<u>7,828</u>	<u>19,709</u>

Notes to the Financial Statements

4. OTHER INCOME

	2025	2024
	£000	£000
Tourist admissions and shop sales	3,885	3,335
Chapel and choir	447	373
Other income	129	133
	<hr/>	<hr/>
Total	<u>4,461</u>	<u>3,841</u>

5. EDUCATION EXPENDITURE

	2025	2024
	£000	£000
Teaching	3,716	3,500
Tutorial	1,108	1,017
Admissions - General	621	614
Admissions - Access and Widening Participation	1,233	1,032
Research	1,807	1,495
Scholarships and awards	1,653	1,670
Other educational facilities	855	781
	<hr/>	<hr/>
Total	<u>10,993</u>	<u>10,109</u>

6. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE

	2025	2024
	£000	£000
Accommodation		
College members	5,771	5,680
Third parties	1,459	1,434
Catering		
College members	2,211	2,065
Third parties	1,051	989
	<hr/>	<hr/>
Total	<u>10,492</u>	<u>10,168</u>

Notes to the Financial Statements

7. OTHER EXPENDITURE

	2025 £000	2024 £000
Investment management costs	756	892
Loan interest	667	667
Tourist admission and shop expenditure	1,225	981
Chapel expenditure	2,235	1,945
Development	223	203
USS pension interest charge	-	57
CCFPS pension interest charge	131	128
Other expenditure	420	283
	<u>5,657</u>	<u>5,156</u>
Total	<u><u>5,657</u></u>	<u><u>5,156</u></u>
Included within other costs is auditors' remuneration as follows:		
Fees payable to the College's auditors for the audit of the College's annual accounts	42	40
Fees payable to the College's auditors for the audit of the College's subsidiaries	12	11
	<u>54</u>	<u>51</u>
Total fees payable	<u><u>54</u></u>	<u><u>51</u></u>

8. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Staff costs (Note 9a) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
2024/25				
Education	4,591	5,535	867	10,993
Accommodation, catering and conferences	4,570	3,284	2,638	10,492
Other	2,018	3,443	196	5,657
Change in USS provision	-	-	-	-
Contribution under Statute G,II	-	132	-	132
	<u>11,179</u>	<u>12,394</u>	<u>3,701</u>	<u>27,274</u>
	<u><u>11,179</u></u>	<u><u>12,394</u></u>	<u><u>3,701</u></u>	<u><u>27,274</u></u>
	Staff costs (Note 9a) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
2023/24				
Education	4,155	5,122	832	10,109
Accommodation, catering and conferences	4,223	3,413	2,532	10,168
Other	1,719	3,249	188	5,156
Change in USS provision	(2,040)	-	-	(2,040)
Contribution under Statute G,II	-	118	-	118
	<u>8,057</u>	<u>11,902</u>	<u>3,552</u>	<u>23,511</u>
	<u><u>8,057</u></u>	<u><u>11,902</u></u>	<u><u>3,552</u></u>	<u><u>23,511</u></u>

The above expenditure includes £616k as the cost of fundraising (2023/24: £602k).

Notes to the Financial Statements

9a. STAFF EXPENDITURE

	College fellows £000	Non- academic £000	Total 2025 £000	Total 2024 £000
Staff costs				
Salaries and wages	2,342	7,133	9,475	8,538
National Insurance	173	700	873	726
Pension costs	164	667	831	925
Net change in USS deficit recovery provision (see Note 17)	-	-	-	(2,132)
Subtotal of pension costs (see Note 9b)	164	667	831	(1,207)
	<u>2,679</u>	<u>8,500</u>	<u>11,179</u>	<u>8,057</u>

Based on the 2023 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is £0 (2023/24: credit of £2,132,676). The 2023/24 credit comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £2,040,207 and cash contributions made to reduce the deficit in the year of £92,469.

Average staff numbers	No. of Fellows	FTE non- academic staff
2024/25	<u>105</u>	<u>204</u>
2023/24	<u>112</u>	<u>191</u>

At the balance sheet date there were 135 members of the Governing Body. During the year the average number receiving remuneration was the 105 shown above.

The number of officers or employees of the College, including Head of House and School, who received remuneration (including salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided gross of any salary sacrifice arrangements) in the following ranges were:

	2025	2024
£100,000-£109,999	2	3
£110,000-£119,999	1	1
£120,000-£129,999	3	1
£130,000-£139,999	1	-
£140,000-£149,999	-	1
£150,000-£159,999	-	-
	<u>7</u>	<u>6</u>

Notes to the Financial Statements

During the year remuneration paid to key management personnel in their capacity as College Fellows were:	2025 £000	2024 £000
Key management personnel aggregated remuneration	789	739

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

9b. PENSION COSTS

The total pension cost included in staff costs for the year (see note 9a) was:

	Employer contributions 2024/25	Provisions (Note 17) 2024/25	Total 2024/25 £000	Employer contributions 2023/24	Provisions (Note 17) 2023/24	Total 2023/24 £000
USS	329	-	329	430	(2,132)	(1,702)
CCFPS	-	131	131	-	128	128
Other	371	-	371	367	-	367
Total	700	131	831	797	(2,004)	(1,207)

Notes to the Financial Statements

10. FIXED ASSETS

a) CONSOLIDATED

Cost	Freehold		Asset in Course of Construction	Plant Furniture and equipment	Computer Equipment	Group 2025 £000	Group 2024 £000
	Land	Buildings					
At 1 July 2024	83,998	111,295	1,788	55,810	1,279	254,170	247,692
Additions	-	1,597	49	500	119	2,265	7,615
Disposals	-	-	-	(49)	-	(49)	-
Transfer from assets in construction	-	-	-	-	-	-	-
Transfer (to)/from investment properties	-	-	-	-	-	-	(1,137)
At 30 June 2025	83,998	112,892	1,837	56,261	1,398	256,386	254,170
Depreciation							
At 1 July 2024	-	2,614	-	5,211	771	8,596	5,101
Charge for the year	-	1,302	-	2,292	113	3,707	3,551
Transfer (to)/from investment properties	-	-	-	-	-	-	(56)
Disposals	-	-	-	(6)	-	(6)	-
At 30 June 2025	-	3,916	-	7,497	884	12,297	8,596
Net book value – 2025	83,998	108,976	1,837	48,764	514	244,089	245,574
Net book value – 2024	83,998	108,681	1,788	50,599	508	245,574	

b) COLLEGE

Cost	Freehold		Asset in Course of Construction	Plant, Furniture and equipment	Computer Equipment	College 2025 £000	College 2024 £000
	Land	Buildings					
At 1 July 2024	83,998	111,304	1,788	55,531	1,192	253,813	247,374
Additions	-	1,599	49	498	119	2,265	7,576
Disposals	-	-	-	-	-	-	-
Transfer from assets in construction	-	-	-	-	-	-	-
Transfer (to)/from investment properties	-	-	-	-	-	-	(1,137)
At 30 June 2025	83,998	112,903	1,837	56,029	1,311	256,078	253,813
Depreciation							
At 1 July 2024	-	2,612	-	5,030	690	8,332	4,856
Charge for the year	-	1,301	-	2,275	112	3,688	3,532
Disposals	-	-	-	-	-	-	-
Transfer (to)/from investment properties	-	-	-	-	-	-	(56)
At 30 June 2025	-	3,913	-	7,305	802	12,020	8,332
Net book value - 2025	83,998	108,990	1,837	48,724	509	244,058	245,481
Net book value - 2024	83,998	108,692	1,788	50,501	501	245,481	

Notes to the Financial Statements

10. FIXED ASSETS (continued)

- c) The insured value of freehold land and buildings as at 30 June 2025 was £352 million (£321 million at 30 June 2024).

11. HERITAGE ASSETS

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2006 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous five years were as follows:

	2025	2024	2023	2022	2021	2020
	£000	£000	£000	£000	£000	£000
Balance at beginning of year	1,839	1,696	1,481	1,481	1,481	1,481
Acquisitions purchased with specific donations	397	142	215	-	-	-
Acquisitions purchased with College funds	-	-	-	-	-	-
Total cost of acquisitions purchased	<u>397</u>	<u>142</u>	<u>215</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u><u>2,236</u></u>	<u><u>1,839</u></u>	<u><u>1,696</u></u>	<u><u>1,481</u></u>	<u><u>1,481</u></u>	<u><u>1,481</u></u>

Notes to the Financial Statements

12. INVESTMENTS ASSETS

	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
Balance at beginning of year	218,340	218,340	205,058	205,058
Additions	2,392	2,392	535	535
Disposals	(765)	(765)	(8,750)	(8,750)
Gain/(loss)	9,794	9,794	21,609	21,609
Transfer to operational buildings	-	-	1,082	1,082
Increase/(decrease) in cash balances held	2,772	2,772	(1,194)	(1,194)
Balance at end of year	<u>232,533</u>	<u>232,533</u>	<u>218,340</u>	<u>218,340</u>
Represented by:				
Quoted securities and unit trusts	167,237	167,237	158,191	158,191
Quoted securities – fixed interest	697	697	647	647
Freehold land and buildings	44,616	44,616	43,477	43,477
Investment in subsidiary undertakings	-	-	-	-
Unlisted securities	13,221	13,221	12,014	12,014
Cash with fund managers	3,250	3,250	479	479
College joint equity scheme	2,410	2,410	2,430	2,430
Literary royalties	1,102	1,102	1,102	1,102
Total	<u>232,533</u>	<u>232,533</u>	<u>218,340</u>	<u>218,340</u>

Subsidiary Undertakings

At 30 June 2025, Kings College held an investment in the following companies:	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
King's College Cambridge Enterprises Ltd	Ordinary	100%	United Kingdom	Provision of conference facilities
King's College Cambridge Developments Ltd	Ordinary	100%	United Kingdom	Provision of development facilities

13. TRADE AND OTHER RECEIVABLES

	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
Members of the College	71	71	87	87
Trade debtors	366	365	376	373
Amounts due from subsidiary companies	-	5,371	-	5,955
Other debtors	2,843	2,789	3,810	3,762
	<u>3,280</u>	<u>8,596</u>	<u>4,273</u>	<u>10,177</u>

Included in other debtors is £358,975 (2024: £564,103) that is due in more than one year.

Notes to the Financial Statements

14. CASH AND CASH EQUIVALENTS

	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
Bank deposits	7,637	7,637	2,581	2,581
Current accounts	2,266	527	2,598	455
Cash in hand	6	4	6	4
	<u>9,909</u>	<u>8,168</u>	<u>5,185</u>	<u>3,040</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
Bank loan	205	205	205	205
Members of the College	278	278	233	233
Trade creditors	593	456	634	540
Accruals and deferred income	3,429	2,942	2,834	2,434
Social security, pension and taxes	688	691	588	594
University fees	1,589	1,589	2,004	2,004
Contribution to Colleges fund	132	132	118	118
Amounts due to subsidiary companies	-	-	-	-
Other creditors	924	929	1,062	1,056
	<u>7,838</u>	<u>7,222</u>	<u>7,678</u>	<u>7,184</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2025 £000	College 2025 £000	Group 2024 £000	College 2024 £000
Project Tintagel loan	15,000	15,000	15,000	15,000
School bank loan	359	359	564	564
	<u>15,359</u>	<u>15,359</u>	<u>15,564</u>	<u>15,564</u>

In 2014 the College borrowed from institutional investors (Project Tintagel loan), collectively with other Colleges. The College's share was £15 million. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges.

In 2018 the College took out a bank loan of £2 million on behalf of the School to help fund the building of the Sports Centre. The loan is to be repaid over 10 years at a fixed interest rate of 2.99%. The balance falling due after more than one year at 30 June 2025 was £358,975.

Notes to the Financial Statements

17. PENSION PROVISIONS

	CCFPS £000	USS £000	Total 2025 £000	Total 2024 £000
Balance at beginning of year	(1,841)	-	(1,841)	(3,993)
Movement in year:				
Current service cost	-	-	-	-
Contributions paid by the College	127	-	127	28
Change in expected contribution	-	-	-	-
Finance cost	(131)	-	(131)	(184)
Actuarial gains recognised in statement of comprehensive income and expenditure	217	-	217	175
Net change in underlying assumptions (see Note 9b) -				
- Change in underlying assumptions	-	-	-	2,040
- USS deficit contributions payable	-	-	-	92
Balance at end of year	<u>(1,628)</u>	<u>-</u>	<u>(1,628)</u>	<u>(1,841)</u>

18. ENDOWMENTS

Group and College	Restricted Permanent Endowments 2025 £000	Unrestricted Permanent Endowments 2025 £000	Total 2025 £000	Total 2024 £000
Balance at beginning of year:				
Capital	45,085	75,060	120,145	107,942
New donations and endowments	5,666	-	5,666	22
Increase in market value of investments	1,891	2,893	4,784	12,181
Balance at end of year	<u>52,642</u>	<u>77,953</u>	<u>130,595</u>	<u>120,145</u>
Analysis by type of purpose:				
Student support	30,991	-	30,991	29,678
Fellowship	11,831	-	11,831	6,067
Chapel and choir	4,756	-	4,756	4,473
Other funds	5,064	-	5,064	4,867
General endowments	-	77,953	77,953	75,060
	<u>52,642</u>	<u>77,953</u>	<u>130,595</u>	<u>120,145</u>

Notes to the Financial Statements

18. ENDOWMENTS (continued)

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Total 2025 £000	Total 2024 £000
Analysis by asset:				
Property	10,101	14,954	25,055	23,924
Investments	41,805	61,909	103,714	95,957
Cash	736	1,090	1,826	264
	52,642	77,953	130,595	120,145
	52,642	77,953	130,595	120,145

19. RESTRICTED RESERVES

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2025 £000	Total 2024 £000
Group and College					
Balance at beginning of year	899	11,118	57,615	69,632	62,682
Comprising:					
Capital	-	-	57,615	57,615	51,290
Unspent income	899	11,118	-	12,017	11,392
Balance at beginning of year	899	11,118	57,615	69,632	62,682
New grants	829	-	-	829	80
New donations	-	533	3,504	4,037	3,500
Endowment return transferred	-	1,656	1,548	3,204	3,139
Other income	-	547	255	802	870
Increase/(decrease) in market value of investments	-	172	1,360	1,532	4,704
Expenditure	-	(2,046)	(3,544)	(5,590)	(4,976)
Capital grants utilised	(514)	-	-	(514)	(367)
Transfer	(125)	60	65	-	-
Balance at end of year	1,089	12,040	60,803	73,932	69,632
Comprising:					
Capital	-	-	60,803	60,803	57,615
Unspent income	1,089	12,040	-	13,129	12,017
Balance at end of year	1,089	12,040	60,803	73,932	69,632
	1,089	12,040	60,803	73,932	69,632

Notes to the Financial Statements

19. RESTRICTED RESERVES (continued)

Analysis of other restricted funds/donations by type of purpose:	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2025 £000	Total 2024 £000
Student support	-	7,703	24,288	31,991	29,235
Fellowship	-	959	8,632	9,591	8,840
Chapel and choir	-	2,175	18,224	20,399	20,711
Buildings	1,089	-	3,410	4,499	4,181
Other funds	-	1,203	6,249	7,452	6,665
	<u>1,089</u>	<u>12,040</u>	<u>60,803</u>	<u>73,932</u>	<u>69,632</u>

20. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Memorandum of Unapplied Total Return	2025 £000	2024 £000
Within reserves the following amounts represent the Unapplied Total Return of the College:		
Unapplied total return at the beginning of year	133,405	113,696
Unapplied total return for the year (note 3b)	<u>7,828</u>	<u>19,709</u>
Unapplied total return at end of year	<u>141,233</u>	<u>133,405</u>

21. RECONCILIATION AND ANALYSIS OF NET DEBT

	At 30 June 2024 £000	Cash Flows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2025 £000
Cash and cash equivalents	5,185	4,724	-	-	9,909
Borrowings: Amount falling due within one year:					
Secured loans	(205)	-	-	-	(205)
Borrowings: Amount falling due after more than one year:					
Secured loans	<u>(15,564)</u>	<u>205</u>	<u>-</u>	<u>-</u>	<u>(15,359)</u>
Total net debt	<u>(10,584)</u>	<u>4,929</u>	<u>-</u>	<u>-</u>	<u>(5,655)</u>

Notes to the Financial Statements

22. FINANCIAL INSTRUMENTS

	2025 £000	2024 £000
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments (note 12)	167,934	158,838
Other equity investments (note 12)	13,221	12,014
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents (note 12 and 14)	13,159	5,664
Other equity investments (note 12)	2,410	2,430
Other debtors	1,452	1,765
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans (note 15 and 16)	15,564	15,769
Trade creditors (note 15)	593	634
Other creditors (note 15)	5,451	4,835

23. CAPITAL COMMITMENTS

Authorised future capital expenditure amounted to £90,000 at 30 June 2025 in respect of a masterplanning study (£618,000 at 30 June 2024). In addition, the College has committed to invest a further £2,000,000 in private equity funds.

24. FINANCIAL COMMITMENTS

At 30 June 2025 and 2024 the College had no annual commitments under non-cancellable operating leases. In support of enhanced student facilities over the long term, the College has made an offer to purchase a nearby site, on Mill Lane, subject to the relocation of current occupants by July 2027.

25. PENSION SCHEMES

The College and its subsidiary undertakings participate in four defined benefit schemes and one defined contribution scheme.

The total pension cost for the year was as follows:

Notes to the Financial Statements

25. PENSION SCHEMES (continued)

	2025 £000	2024 £000
University Superannuation Scheme (includes FRS 102)	329	(1,702)
Cambridge Colleges' Federated Pension Scheme (includes FRS 102)	131	128
Teachers' Pension Scheme (King's College School in 2022)	-	-
Church of England Funded Pension Scheme	10	11
NOW: Pensions	361	356
	<u>831</u>	<u>(1,207)</u>

University Superannuation Scheme (USS)

The total cost charged to the statement of comprehensive income and expenditure is £329k (2023/24 (£1,702k)).

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

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

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

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

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

Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030

Notes to the Financial Statements

25. PENSION SCHEMES (US\$ continued)

Discount rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.
Pension increases (all subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps

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

2023 valuation

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

The current life expectancies on retirement at age 65 are:

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

Notes to the Financial Statements

Cambridge Colleges Federation Pension Scheme (CCFPS)

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

The liabilities of the plan have been calculated, at 30 June 2025, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2025	2024
	% p.a.	% p.a.
Discount rate	5.50	5.10
RPI assumption	2.90	3.35
CPI assumption: To 2030	1.90	2.35
CPI assumption: From 2031	2.80	3.35

The underlying mortality assumption is based upon the standard table known as S3PxA on a year of birth usage with CMI_2023 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2024: same). This results in the following life expectancies:

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

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

	Male	Female
Deferred Members – Option 1 Benefits	63	62

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

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

	2025	2024
	£000	£000
Present value of plan liabilities	(10,383)	(11,445)
Market value of plan assets	8,755	9,604
Net defined benefit asset/(liability)	<u>(1,628)</u>	<u>(1,841)</u>

Notes to the Financial Statements

25. PENSION SCHEMES (CCFPS continued)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows.

	2025	2024
	£000	£000
Current service cost & ongoing expenses	36	28
Interest on net defined benefit (asset)/liability	95	100
	<u> </u>	<u> </u>
Total	<u>131</u>	<u>128</u>

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

	2025	2024
	£000	£000
Present value of plan liabilities at beginning of period	11,445	11,595
Current service cost (including Employee contributions)	-	-
Benefits paid	(740)	(679)
Interest on plan liabilities	565	585
Actuarial (gains)/losses	(887)	(56)
	<u> </u>	<u> </u>
Present value of plan liabilities at end of period	<u>10,383</u>	<u>11,445</u>

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

	2025	2024
	£000	£000
Market value of plan assets at beginning of period	9,603	9,678
Contributions paid by the College	128	28
Employee contributions	-	-
Benefits paid	(778)	(712)
Interest on plan assets	470	485
Return on assets, less interest included in Profit & Loss	(668)	124
	<u> </u>	<u> </u>
Market value of plan assets at end of period	<u>8,755</u>	<u>9,603</u>
	<u> </u>	<u> </u>
Actual return on plan assets (including interest)	<u>(198)</u>	<u>609</u>

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

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

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

Notes to the Financial Statements

25. PENSION SCHEMES (CCFPS continued)

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

	2025	2024
	£000	£000
Return on assets, less interest included in Profit & Loss*	(668)	124
Experience gains and losses arising on plan liabilities	31	46
Changes in assumptions underlying the present value of plan liabilities	854	5
	<u>217</u>	<u>175</u>
Remeasurement of net defined benefit liability recognised in OCI	<u>217</u>	<u>175</u>

Movement in surplus/(deficit) during the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2025	2024
	£000	£000
Surplus/(deficit) in plan at beginning of year	(1,842)	(1,917)
Recognised in Profit and Loss	(131)	(128)
Contributions paid by the College	128	28
Actuarial (loss)/gain recognised in OCI	217	175
	<u>(1,628)</u>	<u>(1,842)</u>
Surplus/(deficit) in plan at the end of the year	<u>(1,628)</u>	<u>(1,842)</u>

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 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 20 June 2024 and are as follows:

* Annual contributions of not less than £92,418 p.a. payable for the period to 31 March 2030 only.

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

Notes to the Financial Statements

25. PENSION SCHEMES (continued)

Church of England Funded Pensions Scheme (CEFPS)

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, which were £10k in 2024 (2023: £11k), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2023: £0).

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

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this).
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards.
- Increase in pensionable stipends in line with CPIH.
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	1 January 2022 to 31 December 2024	1 January 2021 to 31 December 2021
Deficit repair contributions	nil	7.1%

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

Notes to the Financial Statements

25. PENSION SCHEMES (CEFPS continued)

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2023 and 31 December 2024 is nil. The movement in the balance sheet liability over 2023 and over 2024 is set out in the table below.

	2024 £'000	2023 £'000
Balance sheet liability at 1 January	-	-
Deficit contribution paid	-	-
Interest cost	-	-
Remaining change to the balance sheet liability*	-	-
Balance sheet liability at 31 December	<u>-</u>	<u>-</u>

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

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

NOW: Pensions

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £361,000 (2023/24 £356,000).

26. CONTINGENT LIABILITIES

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

27. 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.

Notes to the Financial Statements

27. RELATED PARTY TRANSACTIONS (continued)

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 Fellows' Remuneration Committee.

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

From	To	2025 Number	2024 Number
£0	£10,000	11	7
£10,001	£20,000	-	4
£20,001	£30,000	-	1
£30,001	£40,000	1	1
£40,001	£50,000	-	-
£50,001	£60,000	1	-
£60,001	£70,000	-	-
£70,001	£80,000	-	2
£80,001	£90,000	-	-
£90,001	£100,000	-	-
£100,001	£110,000	2	-
£110,001	£120,000	-	-
£120,001	£130,000	-	-
	Total	15	15

The total Trustee salaries were £326,693 for the year (2023/24 £296,529).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £78,031 for the year (2023/24 £68,843). In addition, the College has provided shared equity loans to its Fellows that amount to £2,410,000 (2023/24 £2,430,000) at the year end and are included within investment assets.

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

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

THE KING'S COLLEGE OF OUR LADY AND SAINT NICHOLAS IN CAMBRIDGE

England & Wales - Charity number 1139422

Accounts



KING'S COLLEGE

CAMBRIDGE

Annual Report
and
Financial Statements

for the year ended

30 June 2024

Registered Charity number 1139422

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Reference and administrative information

The formal title of the College is 'The King's College of Our Lady and Saint Nicholas in Cambridge'. The College's address is King's College, King's Parade, Cambridge, CB2 1ST

Charity trustees

The trustees of the College, who are the members of the College Council, during the year were:

Professor Michael Proctor (Provost and Chair of Council, until October 2023); Dr Gillian Tett (Provost and Chair of Council, from October 2023); Ronojoy Adhikari; Matt Candea; John Dunn; Chryssi Giannitsarou; David Good; Jason Sharman; James Taylor; James Dolan (until October 2023); Lorraine Headen (from October 2023); Cesare Hall (until December 2023); Andjela Sarkovic (from January 2024); Gillian Griffiths (until January 2024); Angus Russell (from January 2024)

Members *in Statu Pupillari*, until the end of December 2023, were: Mr Dan Erwig; Mr Jakub Gasienica-Ciulacz; Ms Michaela Kadlecova; Ms Timi Olumide-Wahab. Members *in Statu Pupillari*, from January 2024, were: Mr Spencer Lee Boya; Ms Berenice Bulteel; Mx Teddy Graham; Mr Luca Limoncelli

Senior Officers

Provost	Professor Michael Proctor (until October 2023) Dr Gillian Tett (from October 2023)
Vice Provost	Professor Robin Osborne
First Bursar	Dr Ivan Collister
Senior Tutor	Dr Myfanwy Hill

Principal advisers

Actuaries	Cartwright Consulting, Mill Pool House, Mill Lane, Godalming, GU7 1EY
Auditors	Peters Elworthy & Moore, Salsbury House, Station Road, Cambridge, CB1 2LA
Bankers	Barclays Bank plc, 9-11 St Andrew's Street, Cambridge, CB2 3AA
Investment advisers	Mercer Limited, 1 Tower Place West, Tower Place, London, EC3R 5BU
Property advisers	Bidwells, Trumpington Road, Cambridge, CB2 2LD Savills, Unex House, 132-4 Hills Road, Cambridge, CB2 8PA
Solicitors	Barr Ellison, 39 Parkside, Cambridge, CB1 1PN Mills & Reeve, Botanic House, 98-100 Hills Road, Cambridge, CB2 1PH

Membership of the Governing Body

The members of the Governing Body of the College, as at 1 October 2024, are set out below:

Provost: Dr Gillian Tett

Fellows (Senior Members of the Governing Body)

Dr Zoe Adams	Professor Simon Goldhill	Dame Judith Mayhew Jonas
Dr Ronojoy Adhikari	Dr David Good	Professor Dan McKenzie
Dr Tess Adkins	Professor Caroline Goodson	Professor Campbell Middleton
Dr Sebastian Ahnert	Professor Gillian Griffiths	Dr Jonah Miller
Professor Anna Alexandrova	Professor Mark Gross	Dr Fraz Mir
Professor John Arnold	Professor Henning Grosse Ruse-Khan	Dr Perveez Mody
Dr Nicholas Atkins	Professor Cesare Hall	Professor Geoffrey Moggridge
Dr Seda Basihos	Professor Ross Harrison	Dr Kamiar Mohaddes
Professor Mike Bate	Dr Tiffany Harte	Dr Gabriela Montejo-Kovacevich
Dr Francesco Bianchini	Mr Apinan Hasthanasombat	Dr Ken Moody
Dr Marcus Böick	Dr Katie Haworth	Dr Basim Musallam
Dr Giulia Boitani	Mrs Lorraine Headen	Dr Rory O'Bryen
Dr Shannon Bonke	Professor John Henderson	Professor Rosanna Omitowoju
Professor Richard Bourke	Dr Felipe Hernandez	Professor Robin Osborne
Dr Mirjana Bozic	Dr Katherine Herrity	Professor John Perry
Professor Angela Breitenbach	Dr Ryan Heuser	Professor Christopher Prendergast
Professor Judith Browne	Dr Myfanwy Hill	Professor Surabhi Ranganathan
Professor Nicholas Bullock	Dr David Hillman	Dr Benjamin Ravenhill
Dr Katherine Campbell	Dr Stephen Hugh-Jones	Professor Thomas Routlet
Professor Matei Candea	Professor Dame Caroline Humphrey DBE	Professor Robert Rowthorn
Dr Keith Carne	Professor Herbert Huppert	Dr Angus Russell
Professor Richard Causton	Dr Said Reza Huseini	Professor Paul Ryan
Rev Dr Stephen Cherry	Professor Alice Hutchings	Professor Hamid Sabourian
Dr Alexandra Clarà Saracho	Mr Daniel Hyde	Dr Andjela Sarkovic
Dr Ivan Collister	Professor Martin Hyland	Dr Georgia Seabra Nesseh
Professor Francesco Colucci	Ms Polly Ingham	Professor Jason Sharman
Dr Sarah Crisp	Professor Ian James	Dr Mira Siegelberg
Dr Laura Davies	Dr Malarvizhi Jayanth	Dr Michael Sonenscher
Professor Anne Davis	Professor Mark Johnson	Dr Sharath Srinivasan
Professor Peter de Bolla	Mr Peter Jones	Professor Gareth Stedman Jones
Dr James Dolan	Dr Dale Kedwards	Dr James Taylor
Professor John Dunn	Dr Aileen Kelly	Professor Nicholas Tosca
Dr Mark Dyble	Professor Barry Keverne	Mr James Trevithick
Professor George Efstathiou	Dr Philip Knox	Dr Marco Tripodi
Professor Aytek Erdil	Dr Patrycja Kozik	Dr Sophie Turenne
Dr Sebastian Eves-Van den Akker	Dr Joanna Kusiak	Professor Caroline Van Eck
Professor Elisa Faraglia	Professor James Laidlaw	Professor Bert Vaux
Professor James Fawcett	Professor Richard Lambert	Professor James Vicary
Professor Iain Fenlon	Dr Zhuangnan Li	Dr Rob Wallach
Dr Timothy Flack	Professor Charlie Loke	Dr Dror Weil
Professor Robert Foley	Professor Sarah Lummis	Professor Darin Weinberg
Professor Matthew Gandy	Professor Alan Macfarlane	Professor Godela Weiss-Sussex
Professor Chryssi Giannitsarou	Dr Cicely Marshall	Dr Thomas White
Professor Lord Anthony Giddens	Professor Nicholas Marston	Professor John Young
Professor Ingo Gildenhard	Professor Jean Michel Massing	Professor Nicolette Zeeman
Professor Christopher Gilligan CBE		

Members *in Statu Pupillari* (Junior Members of the Governing Body)

Mr Luca Limoncelli	Mr Spencer Lee Boya
Mx Teddy Graham	Ms Berenice Bulteel

Trustees' report

Overview

King's College, Cambridge is one of the thirty-one colleges within the University of Cambridge. It is an independent, self-governing community of scholars with its own property and income. The College was founded in 1441 by King Henry VI for 'poor and needy scholar clerks, engaged in study within the University of Cambridge in the diocese of Ely, and bound to study and progress in the different departments of learning and skill'.

Aims and objectives

The College's charitable objects are: (i) to maintain a College within the University of Cambridge dedicated to the advancement of education, religion, learning and research; and (ii) to provide for and conduct divine service within the College.

Public benefit

In setting about achieving its charitable objects, the College pursues several aims for the public benefit. These are to:

- Provide an education for undergraduates and graduate students, in conjunction with the University of Cambridge, that is recognised internationally as being of the highest standard. This education develops students academically and advances their broader intellectual qualities. The College maintains teaching, library, and study facilities in support of these activities.
- Foster an intellectual and social environment that supports students' personal development so that they can play full and effective roles in society. The College, with the assistance of the King's College Student Union and King's College Graduate Society, funds and provides for a wide range of extracurricular activities, including sports, music, theatre, and other creative and cultural activities. The College runs a programme of careers events and activities, as well as the King's Entrepreneurship Lab to support those students interested in entrepreneurial careers. The College provides extensive pastoral support with each student having access to a Tutor, who is a College Fellow or Bye-Fellow. The College's healthcare centre provides services, in collaboration with the University, to support students' wellbeing and mental health.
- Admit students who have the highest potential to benefit from the education provided by the College and the University, regardless of their gender, sexual orientation, age or educational, social, ethnic or personal background. The College provides financial support to its students through scholarships, awards, and prizes to fund fees, maintenance, research, and travel costs. It contributes with the University and other colleges to the Cambridge Bursary scheme, which is the primary mechanism of financial support for undergraduates to study at Cambridge.
- Curate an intellectual and social environment that supports research at the highest level and offers a fertile ground for novel and collaborative research approaches. The College recruits as Fellows and academic staff those who are able to contribute most to the academic excellence of King's, regardless of their financial, social, religious, or ethnic background. As well as a range of in-kind benefits, events, and social interactions, King's provides grants and other funding to support the research work of Fellows. King's further advances research by providing stipendiary Research Fellowships to outstanding academics in the early stages of their careers, enabling them to develop and focus on their research, and to begin their career in the most intellectually profitable way. Assisted by its benefactions, the College also supports larger research programmes which provide funding for Research Fellows and graduate scholarships related particular disciplinary and research themes.

- Continue the tradition, preserved since its foundation, of the College Chapel as a place of spiritual and ethical reflection. Regular services are held, which are open to the public, as well as a programme of larger events, including the famous service of *Nine Lessons and Carols* traditionally broadcast on Christmas Day. The College employs a Dean and Chaplain, who provide for Christian spiritual care for the students, non-academic staff, and Fellows.
- Conserve and improve the College's buildings and grounds, preserving their historic significance and creating outstanding facilities for the intellectual and social life of King's. The College allows public access to its gardens and world-famous Chapel throughout the year.
- Use the College's resources sustainably, preserving intergenerational equity and securing the future success of the College as an institution of higher education.

The trustees have had due regard throughout the year to the Charity Commission's guidance on public benefit and consider that the College again delivered its planned public benefits in 2023-24.

Governance

The governing documents of the College are its Statutes and Ordinances of 1441, as amended from time to time. The charity trustees are the College Council, which is responsible for the general administration and management of the College and for ensuring compliance with charity law. The members of the Council are the Provost and ten Fellows, elected by the College's Governing Body for one-year terms. Council members may serve a maximum of four consecutive terms. The College Council meets on average five times per term, or more frequently as necessary.

The Governing Body of the College is the ultimate authority in the government of the College. It includes the Provost, all eligible Fellows and four students, at least one of whom is an undergraduate and one a post-graduate. Student representatives are elected by the College's undergraduate and post-graduate students. They attend for the discussion of all matters directly affecting the interests of the College's students. The Governing Body meets twice a term or more frequently as necessary. A register of interests is recorded for all members of the Governing Body. Unreserved minutes of the Governing Body and College Council are published on the College's website.

The principal officers of the College are the Provost, who is responsible for general oversight of the College, the Vice Provost, who deputises for the Provost and looks after the interests of the Fellows, the First Bursar who has responsibility for the management of the College and its finances, and the Senior Tutor who has overall charge of education within the College. Additionally, the Domus Bursar is responsible for the College's operations and estate, the Dean is charged with all activities within the College Chapel, the Director of Music is responsible for the College Choirs and music within the College, and the Director of Development oversees fundraising and alumni relations.

The Council and Governing Body are advised by several committees, each addressing a distinct area of College activity and whose members comprise Fellows and student members, elected annually. It is the duty of the Finance Committee to advise Council on the effectiveness of the College's internal systems of financial controls and risk management. The Governing Body appoints an Audit and Scrutiny Committee to act as internal auditors. It advises on the appointment of external auditors; considers reports from those auditors; monitors the implementation of recommendations; and makes an annual report to the Council and the Governing Body. Non-academic staff remuneration is determined by the College's Human Resources Committee. Fellows' remuneration, including that of College Officers, is decided by a Remuneration Committee, which is formed of four external and three internal members and is chaired by an external member. The College maintains a conflicts of interest policy and systematically requires declarations of interest at all committee meetings.

The Visitor of the College is the Bishop of Lincoln.

Activities and achievements

Introduction

The challenge of recent years has been the dramatic and sustained period of disruption that affected societies globally. Under the immediate pressure of the pandemic, the College successfully balanced the protection of its core academic life with King's long-term financial health. As conditions have stabilised, and gradually improved, the College has invested in its academic and educational life. The intention, over the next three to five years, is for King's to emerge as a revitalised, secure and intellectually vibrant institution.

As part of this approach, 2023-24 saw the start of a series of changes that will, in time, strengthen our core mission and long-term resilience. Within the year, three areas attracted particular focus:

1. Academic strength

We believe that academic strength comes from outstanding teaching and the world-class research that supports it. Within the year, this involved a concerted effort to improve our teaching environment, led by College Fellows and supported by an expanded Tutorial team. King's takes undergraduates in every Tripos subject, except Land Economy, Education and Veterinary Medicine, and collectively our Fellows provided several thousand hours of teaching. Supervision sizes were dictated by teaching need, rather than other factors, and were most frequently given to pairs of students.

King's continued to develop its broad, intellectually rich environment for our undergraduate and postgraduate students. This included a strong year for our summer research programme, in which students were funded to remain in College over the summer vacation and to work with one of our Fellows on a 6-10 week research project. The Entrepreneurship-Lab also continued its active schedule, offering an expanded summer residential programme and a broad range of talks and other events throughout the year.

Alongside this, the College began what is hoped to be a series of more direct investments in supporting Fellows' research. In the year, this focused on the appointment of several new Research Fellows and, importantly, a dedicated research coordinator. This role, analogous to strategic initiatives within the University, is intended as a first step in encouraging interdisciplinary exchange, helping develop potential research collaborations and supporting the workshops, seminars and other events that contribute to the academic and intellectual life of the College.

Alongside these priorities, we understand that outstanding academic work must be nurtured within a supportive and compassionate environment. A wide-ranging programme was started during the year to ensure we continue to offer the very best provision for our students and Fellows. Within this, a key priority for 2023-24 was to strengthen our pastoral care, working towards the establishment of a strengthened Healthcare Centre that will provide students with a range of health and wellbeing services. This began with the expansion of the role of College Nurse, who will play a central role in the Centre, working alongside our Welfare Tutor and wellbeing advisor, and complementing the more specialised healthcare provision offered by the University.

These activities were supported by the College's outreach initiatives, which we continued to expand and develop during the year. Ongoing work included the College's successful bridging programme (supporting incoming students) and mentoring and tutoring for students in the run-up to A-Level examinations. Our 'small subjects' residential was taken into a second year, encouraging students to apply to disciplines that traditionally attract a smaller number of applicants. Additionally, our residential programme, run in partnership with Christ's College, was redesigned in 2024 to focus on language-based subjects. New initiatives in the year included a pilot of an advanced Maths residential which we will be expanding upon in 2025, and a further pilot of *Calculating Women*, an online course

intended to encourage female students to apply to study Engineering, Maths or Computer Science. This pilot will be developed in 2025 into a full, in-person residential programme.

The College made a further, significant commitment by partnering with IntoUniversity to establish a learning centre in the Northeast (where we focus much of our access work). The centre, which will support students aged seven to eighteen, is part of a broader, evidence-based programme of support for promising students working towards a university education. This exciting approach is rooted in principles of community engagement, early intervention and sustained support. While wholly in keeping with the College's progressive approach to outreach, King's could not have participated in this venture without the generous support of benefactors.

2. Community environment

Our second area of focus was support for the College's community, particularly in the face of historic levels of inflation and pressure on people's cost of living. King's is particularly proud of the warmth and friendliness shared amongst our students, Fellows and non-academic staff. In line with this, and as part of a commitment to support for the whole community, King's provided a significant proportion of current students with financial assistance through scholarships, bursaries and other grants – many of which were made possible through generous donations to the College. As well as ongoing funding for student societies and social activities, subsidies for living costs were increased in the year to help all our students with pressures on their personal budgets.

Significant resources were also allocated to support our academic and non-academic staff through the period of high inflation. Rates of pay were increased significantly to reduce impacts on the cost of living. Funds were set aside for staff facing particular financial pressure and the College's continued its programme of gradually enhancing benefits for academic and non-academic staff. For its lower-paid staff, King's continued its progressive approach to pay, providing these employees with a series of above-inflation increments and reducing the ratio between the highest and lowest paid across the College.

Alongside these changes, King's made further investments in its facilities and built environment. A major focus was the completed refurbishment of Spalding Hostel, as well as renovation of the Gate House roof. Completion of the Chapel roof project, including the installation of solar panels (the first such scheme in the country) was a significant moment in the year attracting national media attention. The installation of Antony Gormley's sculpture, *True, for Alan Turing*, realised, through generous funding from an alumnus, a project that has been in development for several years between the Gormley studio and King's Fellowship. Looking ahead, work is beginning on efforts to renovate the Gibbs building, now entering its third century, and a vital location for the College's teaching.

3. Telling our story

The third priority for the year was communications. We know that our academic strength depends on our ability to attract the very best students and scholars. That relates to the breadth of our intellectual life but, also, to the recognition of King's as a place that is open to anyone curious about our ideas and community. In 2023-24, therefore, the College invested in an expanded and restructured communications function. This team is now leading work to support our admissions, through a revised website and digital communications, and to give greater profile to the research of the Fellowship. Working closely with the Provost, the team delivered a series of high-profile events during the year, attracting an impressive and diverse range of speakers to the College. This, we hope, is the start of a broader programme of intellectual engagement for students and Fellows, contributing to the collegiate University and to other audiences, nationally and internationally.

Future plans

Plans for the coming year will be shaped by the same broad priorities. This will involve continued investment in education and research, progressive improvements in the community and daily life of King’s, and enhanced communication of the exciting academic and non-academic life of the College. In pursuing these objectives, the College remains on course to achieve breakeven in its management accounts in the next one to two years.

2024-25 will also involve considerable longer-term planning. Here, there are significant challenges to be worked through, including ambitions to decarbonise the College’s estate and investment portfolio.

Further information

King’s supported almost eight hundred full- and part-time students through the academic year. The total number of undergraduate and postgraduate students in residence and registered with the University were:

	2019-20	2020-21	2021-22	2022-23	2023-24
Undergraduates	442	458	454	466	466
Postgraduates	278	294	320	326	333
Total	720	752	774	792	799

At 466, the undergraduate population remained slightly higher than the College’s target of 450. The composition of the undergraduate population was close to an even split between men and women (202: 184), part of a gradual trend in recent years. Higher postgraduate numbers reflect a larger intake of part-time students.

The College’s undergraduate finalists gave a strong performance in Tripos, with some 35% receiving a first-class degree and 86% gaining an upper second or better. Recent trends in Tripos examinations for King’s undergraduates in all years are set out below:

	2020-21	2021-22	2022-23	2023-24
First	33%	25%	24%	24%
2:1 or higher	85%	78%	79%	78%

Looking ahead to 2024-25, King’s made offers to 159 students of which 77% were from UK schools and, of those, 80% from maintained or non-fee-paying schools. Trends in admissions statistics (reflecting ‘apply years’, rather than those when students are admitted) were as follows:

	2019-20	2020-21	2021-22	2022-23	2023-24
Offers	176	162	155	156	159
UK schools	71%	76%	83%	81%	77%
State schools	79%	76%	78%	87%	80%

Underpinning the academic life of the College, King’s continued to support its large Fellowship. The College provided for 79 Official Fellows and 41 Life Fellows in the year. Seven Official Fellows were admitted during the year and three Research Fellows. King’s also admitted five Bye Fellows. The College also reappointed three College Research Associates and appointed a further six such Associates, each working on exciting projects, three in the Sciences and three in the Arts and Humanities.

Financial review

Scope of the financial statements

The consolidated financial statements include the College and the College’s wholly owned subsidiaries, King’s College Cambridge Enterprises Limited and King’s College Cambridge Developments Limited. Together, these entities comprise the Group. References to the College in the Financial Review refer to the results of the Group.

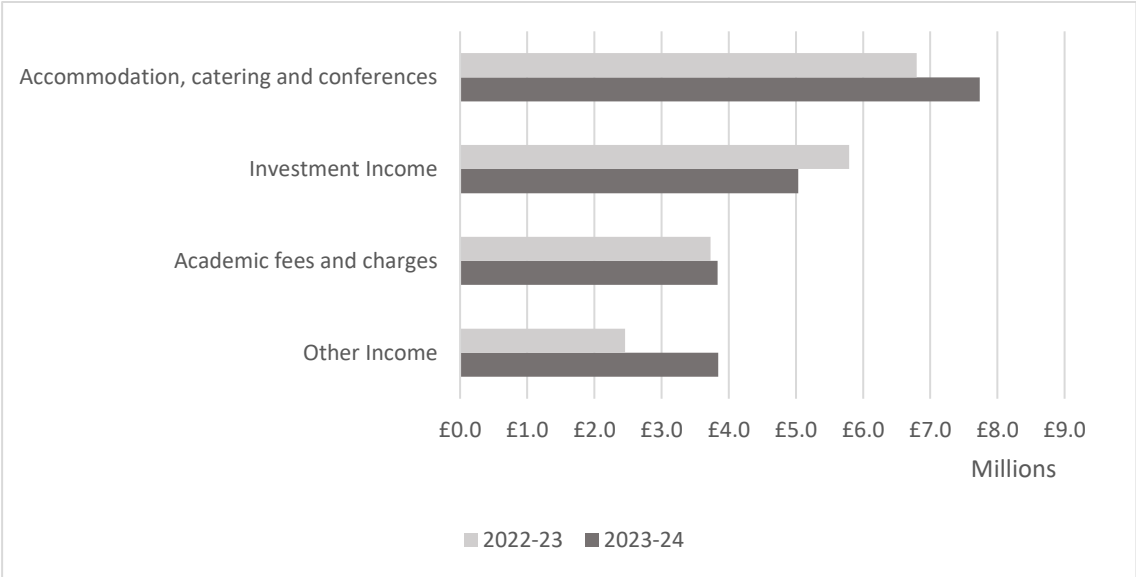
The financial statements are produced by the College having regard to the Recommended Cambridge College Account (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners.

Results overview

Income before donations and endowments

Income before donations and endowments grew 8.9% from £18.8m in 2023 to £20.45m in 2024. Growth was led by income from accommodation, catering and conferencing – and from other income, largely from visitors to the College. These showed a healthy return to levels comparable with those achieved before the COVID-19 pandemic.

Investment income received in the year fell 13%, largely due to a timing difference from when dividends and rents were received in 2024 compared to 2023. However, the College has a ‘spending rule’ that sets the maximum withdrawal from the endowment at 3.85% of the average year-end value of the endowment for the preceding five years. This is designed to reduce the effect on income of fluctuations in investment returns. The total investment income, net of fees, distributed to unrestricted and restricted funds including the spending rule was £7,417,000 in 2024, a 2.0% increase on 2023.

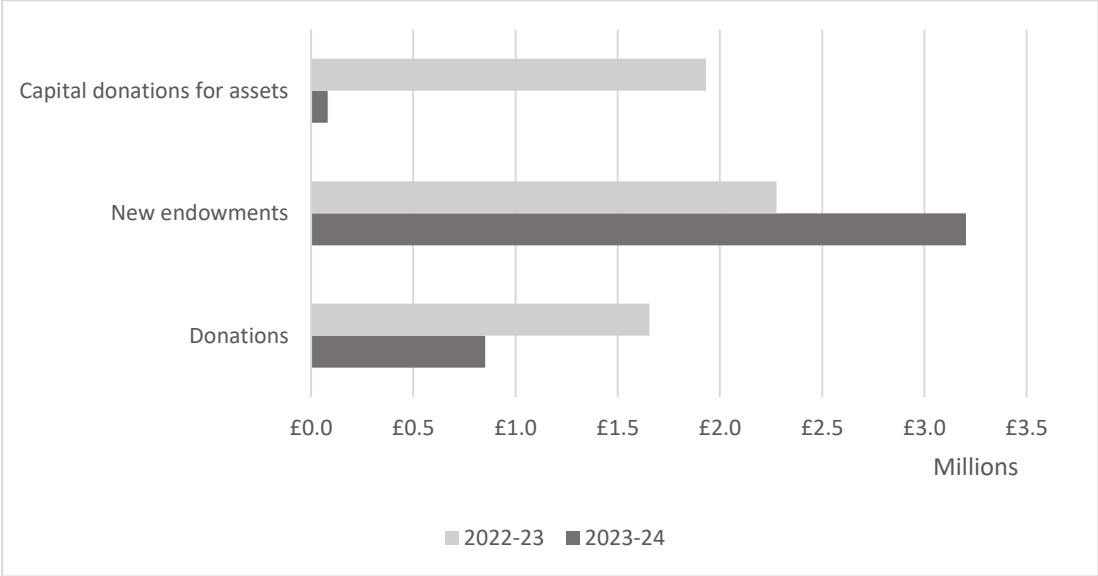


Income from donations and endowments

King’s fundraising is focused on five areas: student support, including bursaries and scholarships; teaching and research; maintenance and development of the College estate; extracurricular activities; and a ‘future fund’ to support the College’s long-term development.

Total donations and endowments fell from £5.9m in 2023 to £4.14m in 2024. This was driven by a decline in capital donations for assets, with the College starting a campaign for the renovation of the Gibbs building during the year. New endowments and donations were comparable to last year. Total

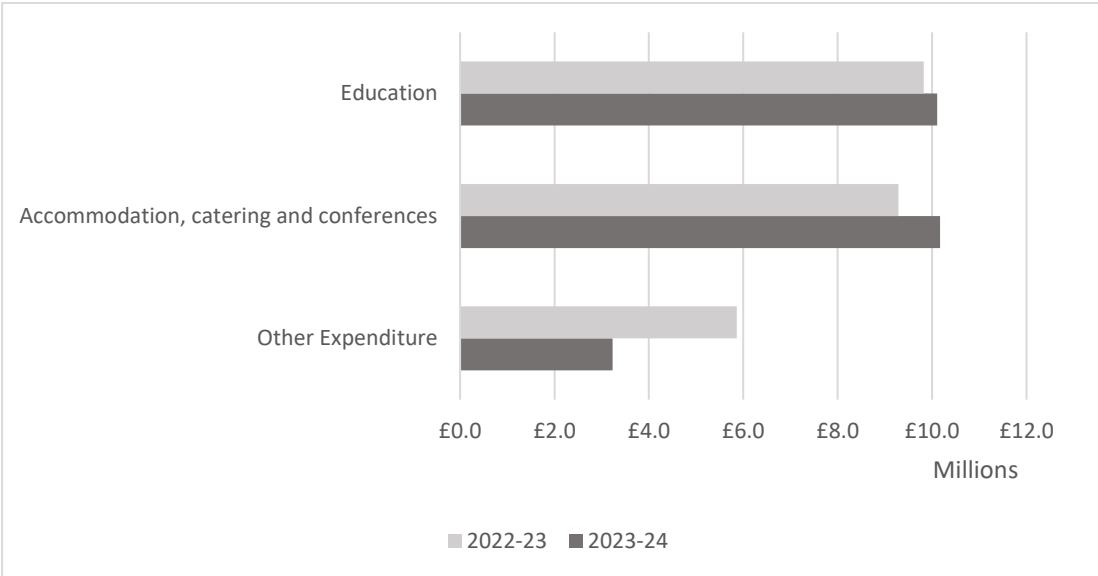
income from donations and endowments was below the College’s long-term run rate, in part reflecting several years of historically high donations in support of major capital works. The College’s participation rate is 12% of the non-resident members for whom it has contact details. Fundraising costs during the year amounted to £0.6m, implying a return of 7.0x.



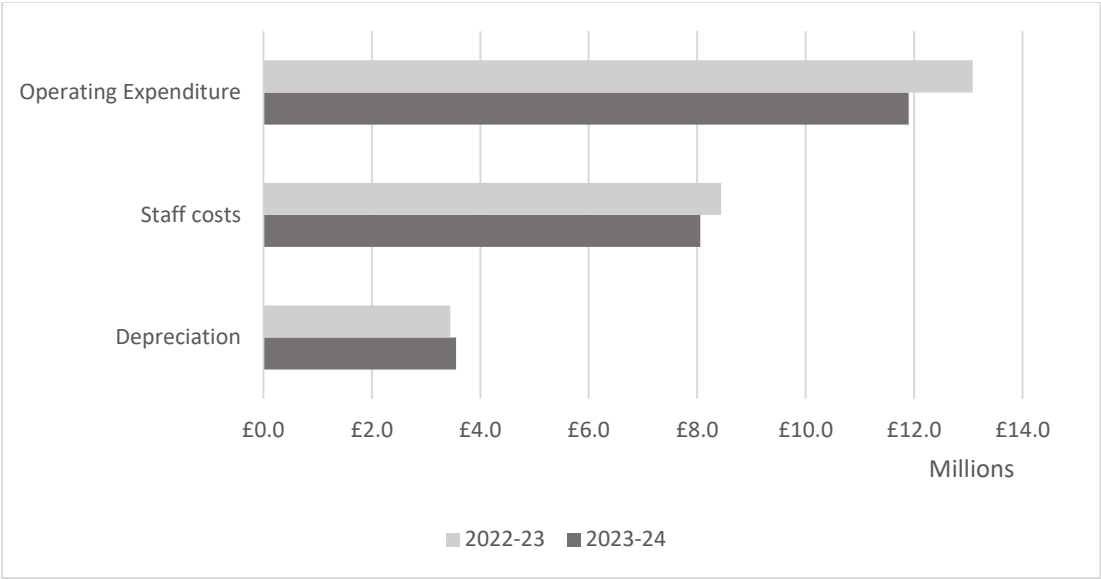
King’s College is committed to best practice in relation to all fundraising activities, which are carried out by an in-house Development team who are subject to the scrutiny of the Development Committee and College Council. The College did not engage any third parties to carry out fundraising activities on its behalf during the year. The College is registered with the Fundraising Regulator and has set up internal protocols and procedures to adhere to the Code of Fundraising Practice as a set of guiding principles to ensure fundraising is legal, open, honest, and respectful.

Expenditure

Total costs fell 5.8% in the year. Wage increases and additional staffing grew costs in education and accommodation, catering and conferences. However, this growth was more than offset by a fall in other spending, driven significantly by a credit in pension provision for the Universities Superannuation Scheme.



The expenditure for each of the activities described above is made up of staff costs, other operating expenses, and depreciation as set out below.



Staff costs fell 4.5% in the year as a result of changes in pension provision. Excluding these impacts, staffing costs rose 13.4% in the year largely driven by increases in pay (to support the cost of living), as well as a modest growth in headcount.

The College experienced a significant decline in operating expenditure, from £13.1m to £12.0m. Higher costs last year related to a one-off transfer involved in the creation of King’s College School as a distinct legal entity. The school had accrued funds, which the College held, and they were transferred to the School’s accounts as part of the legal separation. Operating expenditure in 2024 was nevertheless a significant increase on the £9.5m reported in 2022, driven substantially by ongoing higher energy costs.

Depreciation rose 3.1% in the year following the completion of the Spalding Hostel capital project. This was partly offset by other adjustments in the operational and investment property portfolios.

Capital expenditure

The College’s capital expenditure on tangible fixed assets was £7.6m in 2024, a fall from £10.2m in 2023. Expenditure in 2023-24 was driven by Spalding Hostel, the Chapel roof project and the Gatehouse. Other items of capital expenditure included the completion of the Croft Gardens project.

Balance sheet

Consolidated net assets were £454.3m for the Group, up £23.1m from 2023. This growth was driven mainly by a 6.5% increase in investment assets (see below). The College holds £15.6m debt at a rate of 4.4% repayable between 2043-2053. At 30 June 2024, borrowing stood at 3.4% of total assets less current liabilities. There was no new borrowing in the year.

Reserves

Unrestricted reserves grew by £4.0m to £264.6m. This included £247.4m of tangible fixed assets and heritage assets, implying ‘free reserves’ of £17.2m. Free reserves provide working capital to fund unexpected opportunities or to provide a degree of protection against unforeseen expenditure or unanticipated loss of income. The College’s free reserves in 2024 are a growth of £0.9m from 2023 and amount to approximately one year of unrestricted operational expenditure. The College targets

free reserves of at least 6 months of unrestricted operational expenditure, as stipulated in its Financial Regulations.

Restricted reserves for 2024 were £189.8m, an increase of 11.2% (£19.2m) on 2023. This was driven by investment returns and new donations, offset by spending down of expendable funds.

Endowment and investment performance

The College has a pool of capital (known as the 'Endowment') invested for the long-term to support its charitable activities (see note 12).

The College aims to manage the total return from the Endowment so that the long-term capital value is preserved in real terms, such that the College itself can fulfil its charitable objects in perpetuity. The College targets a long-term total return of CPI + 3.85% gross of investment management fees. Within this, the College believes it has a responsibility for its investments. The Investment Committee monitors both the performance of the College's investments and their environmental, social and governance aims. The College does not hold direct investments in the fossil fuels, arms, tobacco, or gambling industries.

The total value of the Endowment was £218.3m in 2024, up 6.5% from 2023 (£205.1m). Growth was driven by the securities portfolio with minimal growth in the property portfolio and other investments. These increases were offset by withdrawals of £8.8m to support the College's capital expenditure and cash reserve. Notwithstanding capital markets volatility in recent years, the long-run performance of the Endowment is in line with the College's return objective.

Principal risks and uncertainties

The major risks to which King's is exposed are assessed by the Finance Committee reporting to Council, using the College's Risk Register. The principal risks the College must address relate to its ability to maintain and develop its educational and research activity and, as part of that, to attract the best academic and non-academic staff, and to maintain and enhance its physical facilities.

Key financial uncertainties and risks, and the measures taken to manage them, are:

- Weak or volatile macro environment preventing recovery of operating surplus: The College has prepared scenario forecasts around the recovery of operating surplus, investment income, and investment valuations, and is reviewing this on an ongoing basis as the macroeconomic, geopolitical, and UK policy contexts evolve. The College's processes for in-year performance management include a regular assessment of income and expenditure across departments and early identification of variances against forecasts;
- Movements in investment markets reducing the value of the Endowment: The College's Investments Committee considers, with independent advice, what is the sustainable investment return and reports this to the Annual Congregation. The target spending rate is set at a prudent level to preserve the Endowment in real terms, and the Investment Committee aims to reduce volatility so as to protect the College's income from rapid changes in the investment markets; and
- Unexpected in-year operational or capital expenditure: The College regularly monitors spending across all departments and material variances are discussed by the Finance Committee with appropriate actions taken in response. Any significant in-year changes require approval from the College Council or, for larger sums, from the Governing Body. The condition of the College estate is assessed through regular surveys, the incidence of complaints or

accidents, and a long-term maintenance and refurbishment programme is in place with appropriate resourcing to preserve the condition of estate. Other operational risks with a financial impact, for example cyber-attack, are monitored through the College's Risk Register with appropriate mitigations regularly reviewed.

The College monitors and manages risks more widely through the internal control processes outlined in the Statement of Internal Control below.

Responsibilities of the College Council

The Council is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the *Statement of Recommended Practice: Accounting for Further and Higher Education*.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the College will continue in operation.

The College has prepared a detailed budget covering the period to 30 June 2025 as well as a five-year forecast of expected demands on the College's operating position and capital expenditure. Accordingly, the trustees believe the College's financial resources are sufficient to ensure there are no material uncertainties around its ability to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and have therefore prepared the financial statements on the going concern basis.

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

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

Statement of Internal Control

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

The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established. The Council has sixteen regular meetings each year and, as part of the annual planning round, considers the major risks to which the College and its subsidiary undertakings are exposed and satisfies itself that systems or procedures are established to manage those risks.

Key controls used by the College include:

- Strategic planning, budgeting, management accounting and cashflow forecasting;
- Authorisation and approval levels;
- Risk-management process overseen by Finance Committee;
- Formal agendas and clear terms of reference for all committee and Council activity; and
- Formal written policies in significant areas such as health and safety and safeguarding.

The College is improving these controls through various refinements, including financial reviews of key departments, and increased resourcing of central functions, including Finance, Legal and Governance, and Human Resources.

The Council's oversight of internal controls is informed by the work of the committees and College Officers, including the College Audit and Scrutiny Committee, and by comments made by the external auditors in their management letter and other reports.

Outlook

King's is fortunate in having significant operational and investment assets to support its charitable mission. This has allowed the College's activities to continue to recover in a challenging environment. Longer term, however, the College must face into the wider issues affecting the UK higher education sector. These include the sustainability of world-class research, continued provision of outstanding teaching, support for students' finances, provision for student mental health, and efforts to broaden access to higher education in the UK. In response, the College continues to refine its strategic priorities to strengthen itself and adapt to new challenges.

On behalf of College Council,



Gillian Tett
Provost



Ivan Collister
First Bursar

3 December 2024

Independent Auditors' Report to the Council and Governing Body of King's College, Cambridge

We have audited the financial statements of King's College (the 'College') and its subsidiaries (the 'Group') for the year ended 30 June 2024 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Council and Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Council and Governing Body

As explained more fully in the responsibilities of the Council and Governing Body statement set out on page 24, the Council and Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council and Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditors' report.

Use of our report

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



Peters Elworthy and Moore
Chartered Accountants and Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 13 December 2024

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

Statement of Principal Accounting Policies

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 8.

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

Going concern

The global health crisis caused by COVID-19 had a significant impact on all businesses and the recovery is not yet complete. The economic difficulties caused by the war in Ukraine, and financial concerns within the Country have also increased inflation. This adds to the pressure both our students and staff face and requires further resources from the College.

The Trustees have prepared forecasts for the period to 2028 and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

Basis of accounting

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

Basis of consolidation

The financial statements incorporate those of the College and the College's subsidiaries, King's College Cambridge Developments Limited and King's College Cambridge Enterprises Limited.

The accounts do not include the activities of the King's College Student Union and King's College Graduate Society, on the basis that the College does not have control over the operations of these entities.

Recognition of income and investment return

Academic fees

Academic fees are recognised in the period to which they relate and include 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 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 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 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 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 College operates a total return policy with regard to its endowment assets (including property). Spendable income equivalent to 3.35% of the average endowment for the last five years is included as endowment income and investment management costs are charged against capital.

Other income

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

Cambridge Bursary Scheme

The Cambridge Bursary Scheme (CBS) administration has changed from 2016/17:

- The Student Loan Company (SLC) assesses the students for CBS eligibility.
- The SLC pays the student direct for the CBS payment and then takes the money from the College by direct debit.
- At the end of term, the University provides the College with a list of students and a breakdown of the University and College contributions.

The College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges.

The net payment of £196k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£299k
Expenditure	£495k

Foreign currency translation

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

Pension schemes

The College pays contributions to three pension schemes which provide benefits to its members based on final pensionable salary and one defined contribution pension scheme, 'NOW: Pensions'. The assets of these schemes are held separately from those of the College.

Universities Superannuation Scheme

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

to the deficit) and therefore an expense is recognised through the Statement of Comprehensive Income and Expenditure.

Cambridge Colleges Federated Pension Scheme

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

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date for accounting purposes. The assets of the Scheme are measured at fair value, and liabilities are estimated on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond. The resulting net asset or liability is presented separately after total assets less current liabilities on the face of the balance sheet.

Church of England Funded Pensions Scheme

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This means it is not possible to attribute the Scheme’s assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

NOW: Pensions

The College also operates a defined contribution scheme NOW: Pensions. This is a UK multi-employer pension fund and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Fixed assets

Land and buildings

College land and buildings used for operational purposes (to house College Members) are stated at depreciated replacement cost at the 30 June 2024 following a revaluation review carried out by professional valuers, Gerald Eve. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives with a range for the different buildings (excluding the Chapel) between 45 years to 115 years. The Chapel is depreciated over 200 years. Freehold land is not shown separately and is not depreciated. Assets 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.

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.

Maintenance of premises

The cost of major refurbishment is capitalised and depreciated over the expected useful economic life. The cost of routine maintenance under £10,000 is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

Plant, furniture, fittings and equipment

Plant, furniture, fittings and equipment are capitalised at cost. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets, which are as follows:

Plant	20 years
Furniture and equipment	10 years
Computer equipment	5 years

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 July 2006 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 2006 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Securities

Securities listed on a recognised stock exchange are shown at their market value, i.e. the middle market quotation ruling at the close of business on 30 June, translated for overseas investments into sterling at the rates of exchange ruling at that date. Unlisted securities are shown at the Governing Body's estimate of fair value.

Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included as earned. Interest purchased or sold as part of the price for investments is treated as capital rather than being brought into the statement of comprehensive income and expenditure.

Properties

The College has used external advisors to carry out desktop valuations of its investment properties and carries out a full valuation periodically.

Other investments

Shared equity housing interests are stated at cost. Royalties are held at valuation and are valued periodically by independent valuers.

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

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

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 and Expenditure. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

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

Financial liabilities

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

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

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income and Expenditure 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.

Employment benefits

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

Reserves

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

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

Taxation

The College is a registered charity (number 1139422) 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.

Critical accounting estimates and judgements

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

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

- Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.
- Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are

based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 10.

- Recoverability of debtors – The provision for doubtful debts is based on the College’s estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.
- Investment property – Properties are revalued to their fair value at the reporting date by either Bidwells or Savills. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.
- Retirement benefit obligations – The cost of defined benefit pension plans 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 25.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. 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 25.

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

Statement of Comprehensive Income and Expenditure

Year ended 30 June 2024

	Note	2024 Unrestricted £000	2024 Restricted £000	2024 Endowment £000	2024 Total £000	2023 Unrestricted £000	2023 Restricted £000	2023 Endowment £000	2023 Total £000
INCOME									
Academic fees and charges	1	3,536	299	-	3,835	3,456	271	-	3,727
Accommodation, catering and conferences	2	7,738	-	-	7,738	6,796	-	-	6,796
Investment income	3	642	571	3,823	5,036	691	458	4,643	5,792
Endowment return transferred	3	3,064	3,140	(6,204)	-	3,312	2,811	(6,123)	-
Other income	4	3,841	-	-	3,841	2,456	-	-	2,456
Total income before donations and endowments		18,821	4,010	(2,381)	20,450	16,711	3,540	(1,480)	18,771
Donations		444	408	-	852	818	837	-	1,655
New endowments		-	3,182	22	3,204	-	2,149	127	2,276
Capital donations for assets		-	82	-	82	-	1,932	-	1,932
Total Income		19,265	7,682	(2,359)	24,588	17,529	8,458	(1,353)	24,634
EXPENDITURE									
Education	5	6,436	3,673	-	10,109	5,942	3,878	-	9,820
Accommodation, catering and conferences	6	9,930	238	-	10,168	9,198	88	-	9,286
Other expenditure	7	3,255	1,159	742	5,156	4,014	1,300	912	6,226
Change in USS pension deficit recovery provision contributions	17	(2,040)	-	-	(2,040)	(460)	-	-	(460)
Contribution under Statute G,II		118	-	-	118	95	-	-	95
Total expenditure		17,699	5,070	742	23,511	18,789	5,266	912	24,967
Surplus/(deficit) before other gains and losses		1,566	2,612	(3,101)	1,077	(1,260)	3,192	(2,265)	(333)
Gain/(loss) on investments		1,888	4,705	15,304	21,897	1,439	1,759	5,973	9,171
Surplus for the year		3,454	7,317	12,203	22,974	179	4,951	3,708	8,838
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		-	-	-	-	188	-	-	188
Actuarial gain/(loss) in respect of pension schemes		175	-	-	175	(372)	-	-	(372)
Total comprehensive income for year		3,629	7,317	12,203	23,149	(5)	4,951	3,708	8,654

The notes on pages 32 to 54 form part of these accounts

Statement of Changes in Reserves

Year ended 30 June 2024

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2023	260,557	62,682	107,942	431,181
Surplus from income and expenditure statement	3,454	7,317	12,203	22,974
Other comprehensive income/(expenditure)	175	-	-	175
Release of restricted capital funds spent in the year	367	(367)	-	-
Balance at 30 June 2024	<u>264,553</u>	<u>69,632</u>	<u>120,145</u>	<u>454,330</u>

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2022	259,546	58,747	104,234	422,527
Surplus from income and expenditure statement	179	4,951	3,708	8,838
Other comprehensive income/(expenditure)	(184)	-	-	(184)
Transfer in year	(24)	24	-	-
Release of restricted capital funds spent in the year	1,040	(1,040)	-	-
Balance at 30 June 2023	<u>260,557</u>	<u>62,682</u>	<u>107,942</u>	<u>431,181</u>

The notes on pages 32 to 54 form part of these accounts.

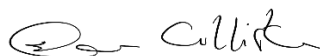
Consolidated and College Balance Sheets

As at 30 June 2024

	Note	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
NON-CURRENT ASSETS					
Tangible assets	10	245,574	245,481	242,591	242,518
Heritage assets	11	1,839	1,839	1,696	1,696
Investment assets	12	218,340	218,340	205,058	205,058
Total non-current assets		<u>465,753</u>	<u>465,660</u>	<u>449,345</u>	<u>449,272</u>
CURRENT ASSETS					
Stocks - good for resale		4,202	34	3,959	34
Trade and other receivables	13	4,273	10,177	3,230	9,120
Cash and cash equivalents	14	5,185	3,040	3,053	494
Total current assets		<u>13,660</u>	<u>13,251</u>	<u>10,242</u>	<u>9,648</u>
CREDITORS: amounts falling due within one year	15	<u>(7,678)</u>	<u>(7,184)</u>	<u>(8,645)</u>	<u>(7,982)</u>
NET CURRENT ASSETS		<u>5,982</u>	<u>6,067</u>	<u>1,597</u>	<u>1,666</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>471,735</u>	<u>471,727</u>	<u>450,942</u>	<u>450,938</u>
CREDITORS: amounts falling due after more than one year	16	<u>(15,564)</u>	<u>(15,564)</u>	<u>(15,769)</u>	<u>(15,769)</u>
Provisions					
Pension provisions	17	<u>(1,841)</u>	<u>(1,841)</u>	<u>(3,992)</u>	<u>(3,992)</u>
TOTAL NET ASSETS		<u><u>454,330</u></u>	<u><u>454,322</u></u>	<u><u>431,181</u></u>	<u><u>431,177</u></u>
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	18	120,145	120,145	107,942	107,942
Income and expenditure reserve – restricted reserve	19	69,632	69,632	62,682	62,682
		<u>189,777</u>	<u>189,777</u>	<u>170,624</u>	<u>170,624</u>
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted reserve		259,179	259,171	255,183	255,179
Revaluation reserve		5,374	5,374	5,374	5,374
		<u>264,553</u>	<u>264,545</u>	<u>260,557</u>	<u>260,553</u>
TOTAL RESERVES		<u><u>454,330</u></u>	<u><u>454,322</u></u>	<u><u>431,181</u></u>	<u><u>431,177</u></u>

Approved by Council on 3 December 2024 and signed on their behalf by:

Dr Ivan Collister, First Bursar



The notes on pages 32 to 54 form part of these accounts.

Consolidated Cash Flow Statement

Year ended 30 June 2024

	2024	2023
	£000	£000
Surplus for the year	22,973	8,838
Adjustment for non-cash items		
Depreciation	3,552	3,445
Non-cash donations to King's College School	-	450
Non-cash donations or donated shares	(25)	(127)
Loss/(gain) on endowments, donations and investment property	(21,896)	(9,171)
Pension scheme (credit)/debit	(1,975)	(498)
(Increase)/decrease in stocks	(244)	(254)
Decrease/(increase) in debtors	786	994
Increase/(decrease) in creditors	(2,997)	149
Adjusting for investing or financing activities		
Investment income	(7,416)	(7,272)
Interest payable	667	666
Profit on sale of non-current assets	-	-
Net cash flows from operating activities	<u>(6,575)</u>	<u>(2,780)</u>
Cash flows from investing activities		
Investment income	5,558	5,034
Net cash transferred to King's College School	-	(1,079)
Non-current investment disposal	12,093	5,859
Payments to acquire non-current fixed assets	(7,615)	(10,249)
Payments to acquire non-current heritage assets	(142)	(216)
Payments to acquire non-current investments	(520)	(630)
Net cash flows from investing activities	<u>9,374</u>	<u>(1,281)</u>
Cash flows from financing activities		
Interest paid	(667)	(666)
	<u>(667)</u>	<u>(666)</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>2,132</u>	<u>(4,727)</u>
Cash and cash equivalents at beginning of year	3,053	7,780
Increase/(decrease) in cash and cash equivalents in the year	2,132	(4,727)
Cash and cash equivalents at end of the year (note 14)	<u>5,185</u>	<u>3,053</u>

The notes on pages 32 to 54 form part of these accounts.

Notes to the Financial Statements

As at 30 June 2024

1. ACADEMIC FEES AND CHARGES

	2024	2023
	£000	£000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,792	1,783
Fee income received at the Unregulated Undergraduate rate	676	667
Fee income received at the Graduate rate	1,008	967
	<hr/>	<hr/>
Total fee income	3,476	3,417
Other academic income	60	39
Cambridge Bursary Scheme	299	271
	<hr/>	<hr/>
Total	3,835	3,727
	<hr/> <hr/>	<hr/> <hr/>

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2024	2023
	£000	£000
Accommodation		
College members	4,326	3,796
International programmes	186	44
Third parties	482	526
Catering		
College members	1,283	1,141
International programmes	93	22
Third parties	1,368	1,267
	<hr/>	<hr/>
Total	7,738	6,796
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

3. ENDOWMENT RETURN AND INVESTMENT INCOME

	2024 £000	2023 £000
3a. Analysis of Investment Income		
Income drawdown from endowment (note 3b)	6,204	6,123
Other investment income	571	458
Rent from King's College School	392	370
Cash balances and shared equity properties	116	55
Royalties	134	266
	<u>7,417</u>	<u>7,272</u>
Gains/(losses) on investment assets:		
Gains on total return investment assets (below)	22,832	9,055
(Losses)/gains on other investment assets	(935)	116
	<u>21,897</u>	<u>9,171</u>
3b. Summary of Total Return		
<u>Income from:</u>		
Freehold land and buildings	1,677	1,840
Quoted securities and cash	2,146	2,803
	<u>3,823</u>	<u>4,643</u>
<u>Gains/(losses) on total return investment assets:</u>		
Freehold land and buildings	439	(2,225)
Quoted securities and cash	22,393	11,280
	<u>22,832</u>	<u>9,055</u>
<u>Investment management costs in respect of:</u>		
Freehold land and buildings	(576)	(526)
Quoted securities and cash	(166)	(386)
	<u>(742)</u>	<u>(912)</u>
Total return for the year	25,913	12,786
Transfer to income and expenditure reserve (note 3a)	(6,204)	(6,123)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 20)	<u>19,709</u>	<u>6,663</u>

Notes to the Financial Statements

4. OTHER INCOME

	2024	2023
	£000	£000
Tourist admissions and shop sales	3,335	1,998
Chapel and choir	373	338
Other income	133	120
	<hr/>	<hr/>
Total	<u>3,841</u>	<u>2,456</u>

5. EDUCATION EXPENDITURE

	2024	2023
	£000	£000
Teaching	3,500	3,113
Tutorial	1,017	872
Admissions - General	614	527
Admissions - Access and Widening Participation	1,032	944
Research	1,495	1,761
Scholarships and awards	1,670	1,886
Other educational facilities	781	717
	<hr/>	<hr/>
Total	<u>10,109</u>	<u>9,820</u>

6. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE

	2024	2023
	£000	£000
Accommodation		
College members	5,680	5,138
Third parties	1,434	1,302
Catering		
College members	2,065	1,974
Third parties	989	872
	<hr/>	<hr/>
Total	<u>10,168</u>	<u>9,286</u>

Notes to the Financial Statements

7. OTHER EXPENDITURE

	2024 £000	2023 £000
Investment management costs	892	1,077
Loan interest	667	666
Tourist admission and shop expenditure	499	351
Chapel expenditure	2,427	2,060
Development	203	187
USS pension interest charge	57	87
CCFPS pension interest charge	128	85
Other expenditure	283	1,713
	<u>5,156</u>	<u>6,226</u>
Total	<u><u>5,156</u></u>	<u><u>6,226</u></u>
Included within other costs is auditors' remuneration as follows:		
Fees payable to the College's auditors for the audit of the College's annual accounts	40	42
Fees payable to the College's auditors for the audit of the College's subsidiaries	11	9
	<u>51</u>	<u>51</u>
Total fees payable	<u><u>51</u></u>	<u><u>51</u></u>

8. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Staff costs (Note 9a) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
2023/24				
Education	4,155	5,122	832	10,109
Accommodation, catering and conferences	4,223	3,413	2,532	10,168
Other	1,719	3,249	188	5,156
Change in USS provision	(2,040)	-	-	(2,040)
Contribution under Statute G,II	-	118	-	118
	<u>8,057</u>	<u>11,902</u>	<u>3,552</u>	<u>23,511</u>
	<u><u>8,057</u></u>	<u><u>11,902</u></u>	<u><u>3,552</u></u>	<u><u>23,511</u></u>
	Staff costs (Note 9a) £000	Other operating expenses £000	Deprecia- tion £000	Total £000
2022/23				
Education	3,871	5,142	807	9,820
Accommodation, catering and conferences	3,792	3,039	2,455	9,286
Other	1,238	4,805	183	6,226
Change in USS provision	(460)	-	-	(460)
Contribution under Statute G,II	-	95	-	95
	<u>8,441</u>	<u>13,081</u>	<u>3,445</u>	<u>24,967</u>
	<u><u>8,441</u></u>	<u><u>13,081</u></u>	<u><u>3,445</u></u>	<u><u>24,967</u></u>

The above expenditure includes £602k as the cost of fundraising (2022/23: £577k).

Notes to the Financial Statements

9a. STAFF EXPENDITURE

	College fellows £000	Non- academic £000	Total 2024 £000	Total 2023 £000
Staff costs				
Salaries and wages	2,098	6,440	8,538	7,511
National Insurance	164	562	726	631
Pension costs	224	701	925	940
Net change in USS deficit recovery provision (see Note 17)	(853)	(1,279)	(2,132)	(641)
Subtotal of pension costs (see Note 9b)	(629)	(578)	(1,207)	299
	<u>1,633</u>	<u>6,424</u>	<u>8,057</u>	<u>8,441</u>

Based on the 2023 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit of £2,132,676 (2022/23: £641,633). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £2,040,207 (2022/23: £460,394) and cash contributions made to reduce the deficit in the year of £92,469 (2022/23: £181,239).

Average staff numbers	No. of Fellows	FTE non- academic staff
2023/24	<u>112</u>	<u>191</u>
2022/23	<u>105</u>	<u>184</u>

At the balance sheet date there were 137 members of the Governing Body. During the year the average number receiving remuneration was the 112 shown above.

The number of officers or employees of the College, including Head of House and School, who received remuneration (including salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided gross of any salary sacrifice arrangements) in the following ranges were:

	2024	2023
£100,000-£109,999	3	1
£110,000-£119,999	1	1
£120,000-£129,999	1	1
£130,000-£139,999	-	1
£140,000-£149,999	1	-
£150,000-£159,999	-	1
	<u>6</u>	<u>5</u>

Notes to the Financial Statements

During the year remuneration paid to key management personnel in their capacity as College Fellows were:	2024 £000	2023 £000
Key management personnel aggregated remuneration	739	616

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

9b. PENSION COSTS

The total pension cost included in staff costs for the year (see note 9a) was:

	Employer contributions 2023/24	Provisions (Note 17) 2023/24	Total 2023/24 £000	Employer contributions 2022/23	Provisions (Note 17) 2022/23	Total 2022/23 £000
USS	430	(2,132)	(1,702)	505	(642)	(136)
CCFPS	-	128	128	-	85	85
Other	367	-	367	350	-	350
Total	797	(2,004)	(1,207)	855	(557)	299

Notes to the Financial Statements

10. FIXED ASSETS

a) CONSOLIDATED

Cost	Freehold		Asset in Course of Construction	Plant, Furniture and equipment	Computer Equipment	Group 2024 £000	Group 2023 £000
	Land	Buildings					
At 1 July 2023	83,998	101,553	9,209	51,720	1,212	247,692	254,536
Additions	-	5,248	251	2,049	67	7,615	10,249
Disposals	-	-	-	-	-	-	(2,888)
Transfer from assets in construction	-	5,631	(7,672)	2,041	-	-	-
Transfer (to)/from investment properties	-	(1,137)	-	-	-	(1,137)	(14,205)
At 30 June 2024	83,998	111,295	1,788	55,810	1,279	254,170	247,692
Depreciation							
At 1 July 2023	-	1,405	-	2,957	739	5,101	7,400
Charge for the year	-	1,265	-	2,254	32	3,551	3,445
Transfer (to)/from investment properties	-	(56)	-	-	-	(56)	(3,364)
Disposals	-	-	-	-	-	-	(2,380)
At 30 June 2024	-	2,614	-	5,211	771	8,596	5,101
Net book value – 2024	83,998	108,681	1,788	50,599	508	245,574	242,591
Net book value – 2023	83,998	100,148	9,209	48,763	473	242,591	

b) COLLEGE

Cost	Freehold		Asset in Course of Construction	Plant, Furniture and equipment	Computer Equipment	College 2024 £000	College 2023 £000
	Land	Buildings					
At 1 July 2023	83,998	101,560	9,209	51,482	1,125	247,374	254,231
Additions	-	5,250	251	2,009	66	7,576	10,238
Disposals	-	-	-	-	-	-	(2,890)
Transfer from assets in construction	-	5,631	(7,672)	2,041	-	-	-
Transfer (to)/from investment properties	-	(1,137)	-	-	-	(1,137)	(14,205)
At 30 June 2024	83,998	111,304	1,788	55,531	1,191	253,813	247,374
Depreciation							
At 1 July 2023	-	1,403	-	2,795	658	4,856	7,178
Charge for the year	-	1,265	-	2,235	32	3,532	3,422
Disposals	-	-	-	-	-	-	(2,380)
Transfer (to)/from investment properties	-	(56)	-	-	-	(56)	(3,364)
At 30 June 2024	-	2,612	-	5,030	690	8,332	4,856
Net book value - 2024	83,998	108,692	1,788	50,501	501	245,481	242,518
Net book value - 2023	83,998	100,157	9,209	48,687	467	242,518	

Notes to the Financial Statements

10. FIXED ASSETS (continued)

- c) The insured value of freehold land and buildings as at 30 June 2024 was £321 million (£309 million at 30 June 2023).

11. HERITAGE ASSETS

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2006 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous five years were as follows:

	2024	2023	2022	2021	2020	2019
	£000	£000	£000	£000	£000	£000
Balance at beginning of year	1,696	1,481	1,481	1,481	1,481	1,466
Acquisitions purchased with specific donations	142	215	-	-	-	-
Acquisitions purchased with College funds	-	-	-	-	-	15
Total cost of acquisitions purchased	<u>142</u>	<u>215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>
Balance at end of year	<u><u>1,839</u></u>	<u><u>1,696</u></u>	<u><u>1,481</u></u>	<u><u>1,481</u></u>	<u><u>1,481</u></u>	<u><u>1,481</u></u>

Notes to the Financial Statements

12. INVESTMENTS ASSETS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Balance at beginning of year	205,058	205,058	187,757	187,757
Additions	535	535	-	-
Disposals	(8,750)	(8,750)	(3,797)	(3,797)
Gain/(loss)	21,609	21,609	8,943	8,943
Transfer to operational buildings	(1,194)	(1,194)	11,000	11,000
Increase/(decrease) in cash balances held	1,082	1,082	1,155	1,155
Balance at end of year	<u>218,340</u>	<u>218,340</u>	<u>205,058</u>	<u>205,058</u>
Represented by:				
Quoted securities and unit trusts	158,191	158,191	146,551	146,551
Quoted securities – fixed interest	647	647	951	951
Freehold land and buildings	43,477	43,477	42,255	42,255
Investment in subsidiary undertakings	-	-	-	-
Unlisted securities	12,014	12,014	10,333	10,333
Cash with fund managers	479	479	1,671	1,671
College joint equity scheme	2,430	2,430	2,195	2,195
Literary royalties	1,102	1,102	1,102	1,102
Total	<u>218,340</u>	<u>218,340</u>	<u>205,058</u>	<u>205,058</u>

Subsidiary Undertakings

At 30 June 2024, Kings College held an investment in the following companies:	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
King's College Cambridge Enterprises Ltd	Ordinary	100%	United Kingdom	Provision of conference facilities
King's College Cambridge Developments Ltd	Ordinary	100%	United Kingdom	Provision of development facilities

13. TRADE AND OTHER RECEIVABLES

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Members of the College	87	87	84	84
Trade debtors	376	373	338	326
Amounts due from subsidiary companies	-	5,955	-	5,927
Other debtors	3,810	3,762	2,808	2,783
	<u>4,273</u>	<u>10,177</u>	<u>3,230</u>	<u>9,120</u>

Included in other debtors is £564,103 (2023: £769,231) that is due in more than one year.

Notes to the Financial Statements

14. CASH AND CASH EQUIVALENTS

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Bank deposits	2,581	2,581	78	78
Current accounts	2,598	455	2,970	412
Cash in hand	6	4	5	4
	<u>5,185</u>	<u>3,040</u>	<u>3,053</u>	<u>494</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Bank loan	205	205	205	205
Members of the College	233	233	185	185
Trade creditors	634	540	1,637	1,439
Accruals and deferred income	2,834	2,434	2,733	2,322
Social security, pension and taxes	588	594	185	185
University fees	2,004	2,004	71	71
Contribution to Colleges fund	118	118	95	95
Amounts due to subsidiary companies	-	-	-	100
Other creditors	1,062	1,056	3,534	3,380
	<u>7,678</u>	<u>7,184</u>	<u>8,645</u>	<u>7,982</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2024 £000	College 2024 £000	Group 2023 £000	College 2023 £000
Project Tintagel loan	15,000	15,000	15,000	15,000
School bank loan	564	564	769	769
	<u>15,564</u>	<u>15,564</u>	<u>15,769</u>	<u>15,769</u>

In 2014 the College borrowed from institutional investors (Project Tintagel loan), collectively with other Colleges. The College's share was £15 million. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges.

In 2018 the College took out a bank loan of £2 million on behalf of the School to help fund the building of the Sports Centre. The loan is to be repaid over 10 years at a fixed interest rate of 2.99%. The balance falling due after more than one year at 30 June 2024 was £564,103.

Notes to the Financial Statements

17. PENSION PROVISIONS

	CCFPS £000	USS £000	Total 2024 £000	Total 2023 £000
Balance at beginning of year	(1,916)	(2,076)	(3,992)	(4,120)
Movement in year:				
Current service cost	-	-	-	-
Contributions paid by the College	28	-	28	28
Change in expected contribution	-	-	-	-
Finance cost	(128)	(56)	(184)	(172)
Actuarial gains recognised in statement of comprehensive income and expenditure	175	-	175	(370)
Net change in underlying assumptions (see Note 9b) -				
- Change in underlying assumptions	-	2,040	2,040	460
- USS deficit contributions payable	-	92	92	181
Balance at end of year	<u>(1,841)</u>	<u>-</u>	<u>(1,841)</u>	<u>(3,992)</u>

18. ENDOWMENTS

Group and College	Restricted Permanent Endowments 2024 £000	Unrestricted Permanent Endowments 2024 £000	Total 2024 £000	Total 2023 £000
Balance at beginning of year:				
Capital	40,242	67,700	107,942	104,234
New donations and endowments	22	-	22	127
Increase in market value of investments	4,821	7,360	12,181	3,581
Balance at end of year	<u>45,085</u>	<u>75,060</u>	<u>120,145</u>	<u>107,942</u>
Analysis by type of purpose:				
Student support	29,678	-	29,678	26,409
Fellowship	6,067	-	6,067	5,405
Chapel and choir	4,473	-	4,473	4,016
Other funds	4,867	-	4,867	4,412
General endowments	-	75,060	75,060	67,700
	<u>45,085</u>	<u>75,060</u>	<u>120,145</u>	<u>107,942</u>

Notes to the Financial Statements

18. ENDOWMENTS (continued)

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Total 2024 £000	Total 2023 £000
Analysis by asset:				
Property	8,978	14,946	23,924	22,606
Investments	36,008	59,949	95,957	84,443
Cash	99	165	264	893
	45,085	75,060	120,145	107,942
	45,085	75,060	120,145	107,942

19. RESTRICTED RESERVES

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2024 £000	Total 2023 £000
Group and College					
Balance at beginning of year	1,240	10,152	51,290	62,682	58,747
Comprising:					
Capital	-	-	51,290	51,290	48,984
Unspent income	1,240	10,152	-	11,392	9,763
Balance at beginning of year	1,240	10,152	51,290	62,682	58,747
New grants	80	-	-	80	1,930
New donations	-	317	3,183	3,500	2,834
Endowment return transferred	-	1,641	1,498	3,139	2,810
Other income	-	571	299	870	729
Increase/(decrease) in market value of investments	-	391	4,313	4,704	1,759
Expenditure	-	(1,948)	(3,028)	(4,976)	(5,110)
Capital grants utilised	(367)	-	-	(367)	(1,040)
Transfer	(54)	(6)	60	-	23
Balance at end of year	899	11,118	57,615	69,632	62,682
Comprising:					
Capital	-	-	57,615	57,615	51,290
Unspent income	899	11,118	-	12,017	11,392
Balance at end of year	899	11,118	57,615	69,632	62,682
	899	11,118	57,615	69,632	62,682

Notes to the Financial Statements

19. RESTRICTED RESERVES (continued)

Analysis of other restricted funds/donations by type of purpose:	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2024 £000	Total 2023 £000
Student support	-	7,211	22,024	29,235	24,671
Fellowship	-	951	7,889	8,840	8,300
Chapel and choir	-	2,018	18,693	20,711	19,662
Buildings	899	-	3,282	4,181	4,198
Other funds	-	938	5,727	6,665	5,851
	<u>899</u>	<u>11,118</u>	<u>57,615</u>	<u>69,632</u>	<u>62,682</u>

20. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Memorandum of Unapplied Total Return	2024 £000	2023 £000
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Within reserves the following amounts represent the Unapplied Total Return of the College:

Unapplied total return at the beginning of year	113,696	107,033
Unapplied total return for the year (note 3b)	<u>19,709</u>	<u>6,663</u>
Unapplied total return at end of year	<u>133,405</u>	<u>113,696</u>

21. RECONCILIATION AND ANALYSIS OF NET DEBT

	At 30 June 2023 £000	Cash Flows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2024 £000
Cash and cash equivalents	3,053	2,132	-	-	5,185
Borrowings: Amount falling due within one year:					
Secured loans	(205)	-	-	-	(205)
Borrowings: Amount falling due after more than one year:					
Secured loans	<u>(15,769)</u>	<u>205</u>	<u>-</u>	<u>-</u>	<u>(15,564)</u>
Total net debt	<u>(12,921)</u>	<u>2,337</u>	<u>-</u>	<u>-</u>	<u>(10,584)</u>

Notes to the Financial Statements

22. FINANCIAL INSTRUMENTS

	2024 £000	2023 £000
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments (note 12)	158,838	147,502
Other equity investments (note 12)	12,014	10,333
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents (note 12 and 14)	5,664	4,724
Other equity investments (note 12)	2,430	2,195
Other debtors (note 13)	-	-
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans (note 15 and 16)	15,769	15,974
Trade creditors (note 15)	634	1,637
Other creditors (note 15)	4,835	4,931

23. CAPITAL COMMITMENTS

Authorised future capital expenditure amounted to £618,000 at 30 June 2024 including works on Spalding, Croft Gardens and an electrical upgrade (£3,064,000 at 30 June 2023). In addition, the College has committed to invest a further £340,000 in Private Equity funds.

24. FINANCIAL COMMITMENTS

At 30 June 2024 and 2023 the College had no annual commitments under non-cancellable operating leases.

25. PENSION SCHEMES

The College and its subsidiary undertakings participate in four defined benefit schemes and one defined contribution scheme.

The total pension cost for the year was as follows:

Notes to the Financial Statements

25. PENSION SCHEMES (continued)

	2024	2023
	£000	£000
University Superannuation Scheme (includes FRS 102)	(1,702)	(47)
Cambridge Colleges' Federated Pension Scheme (includes FRS 102)	128	85
Teachers' Pension Scheme (King's College School in 2022)	-	-
Church of England Funded Pension Scheme	11	9
NOW: Pensions	356	252
	<u>(1,207)</u>	<u>299</u>

University Superannuation Scheme (USS)

The total cost charged to the statement of comprehensive income and expenditure is (£1,702k) (2022/23 (£47k)).

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

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

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

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

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

CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:
1.0% p.a. to 2030, reducing linearly by 0.1% from 2030

Notes to the Financial Statements

25. PENSION SCHEMES (USS continued)

	Benefits with no cap: CPI assumption plus 0.03%
Pension increases (subject to a floor of 0%)	Benefits subject to a “soft cap” of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 0.03%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

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

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

The current life expectancies on retirement at age 65 are:

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

Cambridge Colleges Federation Pension Scheme (CCFPS)

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

The liabilities of the plan have been calculated, at 30 June 2024, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges’ Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

Notes to the Financial Statements

25. PENSION SCHEMES (CCFPS continued)

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

	2024	2023
	% p.a.	% p.a.
Discount rate	5.10	5.20
RPI assumption	3.35	3.40*
CPI assumption: To 2030	2.35	2.80*
CPI assumption: From 2031	3.35	2.80

* For 1 year only, we have assumed that RPI will be 9% and CPI will be 7%. 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_2023 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 (2023: S3PA on a year of birth usage with CMI_2022 future improvement factors and a long-term future improvement rate of 1.25% p.a, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

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

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

	Male	Female
Deferred Members – Option 1 Benefits	63	62

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

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

	2024	2023
	£000	£000
Present value of plan liabilities	(11,445)	(11,595)
Market value of plan assets	9,604	9,679
	<hr/>	<hr/>
Net defined benefit asset/(liability)	<u>(1,841)</u>	<u>(1,916)</u>

Notes to the Financial Statements

25. PENSION SCHEMES (CCFPS continued)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows.

	2024	2023
	£000	£000
Current service cost & ongoing expenses	28	28
Interest on net defined benefit (asset)/liability	100	57
	<u> </u>	<u> </u>
Total	<u>128</u>	<u>85</u>

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

	2024	2023
	£000	£000
Present value of plan liabilities at beginning of period	11,595	13,302
Current service cost (including Employee contributions)	-	-
Benefits paid	(679)	(583)
Interest on plan liabilities	585	494
Actuarial (gains)/losses	(56)	(1,618)
	<u> </u>	<u> </u>
Present value of plan liabilities at end of period	<u>11,445</u>	<u>11,595</u>

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

	2024	2023
	£000	£000
Market value of plan assets at beginning of period	9,679	11,812
Contributions paid by the College	28	28
Employee contributions	-	-
Benefits paid	(712)	(619)
Interest on plan assets	485	437
Return on assets, less interest included in Profit & Loss	124	(1,980)
	<u> </u>	<u> </u>
Market value of plan assets at end of period	<u>9,604</u>	<u>9,679</u>
	<u> </u>	<u> </u>
Actual return on plan assets (including interest)	<u>609</u>	<u>(1,543)</u>

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

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

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

Notes to the Financial Statements

25. PENSION SCHEMES (CCFPS continued)

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

	2024	2023
	£000	£000
Actual return less expected return on plan assets	124	(1,980)
Experience gains and losses arising on plan liabilities	46	(496)
Changes in assumptions underlying the present value of plan liabilities	5	2,106
	<u>175</u>	<u>(370)</u>
Actuarial (loss)/gain recognised in OCI	<u><u>175</u></u>	<u><u>(370)</u></u>

Movement in surplus/(deficit) during the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	2024	2023
	£000	£000
Surplus/(deficit) in plan at beginning of year	(1,916)	(1,490)
Recognised in Profit and Loss	(128)	(85)
Contributions paid by the College	28	29
Actuarial (loss)/gain recognised in OCI	175	(370)
	<u>(1,841)</u>	<u>(1,916)</u>
Surplus/(deficit) in plan at the end of the year	<u><u>(1,841)</u></u>	<u><u>(1,916)</u></u>

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 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 20 June 2024 and are as follows:

- Annual contributions of not less than £92,418 p.a. payable for the period to 31 March 2030 only.

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

Notes to the Financial Statements

25. PENSION SCHEMES (continued)

Church of England Funded Pensions Scheme (CEFPS)

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, which were £11k in 2023 (2022: £9k), plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0 (2022: £1k).

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

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this).
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards.
- Increase in pensionable stipends in line with CPIH.
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	1 January 2021 to 31 December 2021	1 January 2022 to 31 December 2023
Deficit repair contributions	7.1%	nil

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

Notes to the Financial Statements

25. PENSION SCHEMES (CEFPS continued)

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023 £'000	2022 £'000
Balance sheet liability at 1 January	-	2
Deficit contribution paid	-	(1)
Interest cost	-	-
Remaining change to the balance sheet liability*	-	(1)
Balance sheet liability at 31 December	-	-

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

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

	2023 % p.a.	2022 % p.a.	2021 % p.a.
Discount rate	n/a	n/a	0.0
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5

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

NOW: Pensions

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £356,000 (2022/23 £252,000).

26. CONTINGENT LIABILITIES

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

Notes to the Financial Statements

27. 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 Fellows' Remuneration Committee.

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

From	To	2024 Number	2023 Number
£0	£10,000	7	14
£10,001	£20,000	4	-
£20,001	£30,000	1	1
£30,001	£40,000	1	1
£40,001	£50,000	-	-
£50,001	£60,000	-	-
£60,001	£70,000	-	-
£70,001	£80,000	2	-
£80,001	£90,000	-	-
£90,001	£100,000	-	-
£100,001	£110,000	-	-
£110,001	£120,000	-	-
£120,001	£130,000	-	1
	Total	15	17

Notes to the Financial Statements

27. RELATED PARTY TRANSACTIONS (continued)

The total Trustee salaries were £296,529 for the year (2022/23 £212,568).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £68,843 for the year (2022/23 £47,037).

In addition, the College has provided shared equity loans to its Fellows that amount to £2,430,000 (2022/23 £2,195,000) at the year end and are included within investment assets.

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

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

Accounts



KING'S COLLEGE

CAMBRIDGE

Annual Report and Financial Statements

for the year ended

30 June 2023

Registered Charity number 1139422

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Reference and administrative information

The formal title of the College is ‘The King’s College of Our Lady and Saint Nicholas in Cambridge’. The College’s address is King’s College, King’s Parade, Cambridge, CB2 1ST

Charity trustees

The trustees of the College, who are the members of the College Council, during the year were:

The Provost, Professor Michael Proctor (Chair), Dr James Dolan, Professor Matei Candea, Professor John Dunn, Professor Gillian Griffiths, Professor Tim Griffin (until October 2022), Dr David Good (from October 2022), Professor John Perry (until August 2022), Professor Cesare Hall (from August 2022), Professor George Efstathiou (until the end of December 2022), Dr Zoe Adams (until the end of December 2022), Dr Alexandra Clara Saracho (until the end of December 2022), Dr Sharath Srinivasan (until the end of December 2022), Dr Ronojoy Adhikari (from January 2023), Professor Chryssi Giannitsarou (from January 2023), Professor Jason Sharman (from January 2023), Dr James Taylor (from January 2023)

Members in *statu pupillari* were:

Ms Michaela Kadlecova, Mr Sergio Russo (to the end of December 2022), Mr Tom Pugh (to 31st December 2022), Ms Madeline Kelly (to the end of December 2022), Mr Jakub Gasienica-Ciulacz (from January 2023), Mr Dan Erwig (from January 2023), Ms Timi Olumide-Wahab (from January 2023)

Senior Officers

Provost	Professor Michael Proctor Dr Gillian Tett (from October 2023)
Vice Provost	Professor Robin Osborne
First Bursar	Dr Keith Carne Dr Ivan Collister (from October 2022)
Senior Tutor	Dr Tim Flack Dr Myfanwy Hill (from September 2022)

Principal advisers

Actuaries	Cartwright Consulting, Mill Pool House, Mill Lane, Godcalming, GU7 1EY
Auditors	Peters Elworthy & Moore, Sailsbury House, Station Road, Cambridge, CB1 2LA
Bankers	Barclays Bank plc, 9-11 St Andrew’s Street, Cambridge, CB2 3AA
Investment advisers	Cazenove Capital, 31 Gresham Street, London, EC2V 7QA
Property advisers	Bidwells, Trumpington Road, Cambridge, CB2 2LD Savills, Unex House, 132-4 Hills Road, Cambridge, CB2 8PA
Solicitors	Barr Ellison, 39 Parkside, Cambridge, CB1 1PN Mills & Reeve, Botanic House, 98-100 Hills Road, Cambridge, CB2 1PH

Membership of the Governing Body

The members of the Governing Body of the College as at 30 November 2023 are set out below:

Provost: Dr Gillian Tett

Fellows (Senior Members of the Governing Body)

Dr Zoe Adams	Professor Ingo Gildenhard	Professor Jean Michel Massing
Dr Ronjoy Adhikari	Professor Chris Gilligan CBE	Dame Judith Mayhew Jonas
Dr Tess Adkins	Professor Simon Goldhill	Professor Dan McKenzie
Dr Sebastian Ahnert	Dr David Good	Professor Cam Middleton
Professor Anna Alexandrova	Professor Caroline Goodson	Dr Jonah Miller
Professor John Arnold	Professor Gillian Griffiths	Dr Fraz Mir
Dr Nick Atkins	Professor Mark Gross	Dr Perveez Mody
Professor Gareth Austin	Professor Henning Grosse Ruse-Khan	Professor Geoff Moggridge
Dr Seda Basihos	Professor Chez Hall	Dr Kamiar Mohaddes
Professor Mike Bate	Professor Ross Harrison	Dr Ken Moody
Dr Francesco Bianchini	Dr Tiffany Harte	Dr Basim Musallam
Dr Marcus Böick	Mr Api Hasthanasombat	Dr Rory O'Bryen
Dr Giulia Boitani	Dr Katie Haworth	Professor Rosanna Omitowoju
Dr Shannon Bonke	Ms Lorraine Headen	Professor Robin Osborne
Professor Richard Bourke	Professor John Henderson	Dr Tejas Parasher
Dr Mirjana Bozic	Dr Felipe Hernandez	Professor John Perry
Professor Angela Breitenbach	Dr Kate Herrity	Professor Chris Prendergast
Professor Jude Browne	Dr Myfanwy Hill	Professor Mike Proctor
Professor Nick Bullock	Dr David Hillman	Professor Surabhi Ranganathan
Dr Katie Campbell	Dr Stephen Hugh-Jones	Dr Ben Ravenhill
Professor Matt Canda	Professor Dame Carrie Humphrey DBE	Professor Thomas Roulet
Dr Keith Carne	Professor Herbert Huppert	Professor Bob Rowthorn
Professor Richard Causton	Mr Reza Huseini	Dr Angus Russell
Rev Dr Stephen Cherry	Professor Alice Hutchings	Professor Paul Ryan
Dr Ivan Collister	Mr Daniel Hyde	Professor Hamid Sabourian
Professor Francesco Colucci	Professor Martin Hyland	Dr Andjela Sarkovic
Dr Sarah Crisp	Ms Polly Ingham	Professor Jason Sharman
Dr Laura Davies	Mr Phil Isaac	Dr Mira Siegelberg
Professor Anne Davis	Professor Ian James	Dr Mike Sonenscher
Professor Pete de Bolla	Dr Malar Jayanth	Dr Sharath Srinivasan
Dr James Dolan	Professor Mark Johnson	Professor Gareth Stedman Jones
Professor John Dunn	Mr Peter Jones	Dr James Taylor
Professor George Efstathiou	Dr Aileen Kelly	Professor Nick Tosca
Professor Brad Epps	Professor Barry Keverne	Mr Jim Trevithick
Professor Aytek Erdil	Dr Phil Knox	Dr Marco Tripodi
Dr Sebastian Eves-Van den Akker	Dr Patrycja Kozik	Professor Caroline Van Eck
Professor Elisa Faraglia	Dr Joanna Kusiak	Professor Bert Vaux
Professor James Fawcett	Professor James Laidlaw	Professor Jamie Vicary
Professor Iain Fenlon	Professor Richard Lambert	Dr Rob Wallach
Dr Tim Flack	Dr Zhuangnan Li	Professor Darin Weinberg
Professor Rob Foley	Professor Charlie Loke	Professor Godela Weiss-Sussex
Professor Matthew Gandy	Professor Sarah Lummis	Dr Tom White
Professor Chryssi Giannitsarou	Professor Alan Macfarlane	Professor John Young
Professor Lord Tony Giddens	Professor Nick Marston	Professor Nicky Zeeman

Members *in Statu Pupillari* (Junior Members of the Governing Body)

Mr Tom Pugh	Mr Dan Erwig	Ms Michaela Kadlecova
Ms Madeline Kelly	Ms Timi Olumide-Wahab	Mr Sergio Russo
Mr Jakub Gasienica-Ciulacz		

Trustee's report

Overview

King's College, Cambridge is one of the thirty-one colleges within the University of Cambridge. It is an independent, self-governing community of scholars with its own property and income. The College was founded in 1441 by King Henry VI for 'poor and needy scholar clerks, engaged in study within the University of Cambridge in the diocese of Ely, and bound to study and progress in the different departments of learning and skill'.

Objects and aims

The College's charitable objects are: (i) to maintain a College within the University of Cambridge dedicated to the advancement of education, religion, learning and research; and (ii) to provide for and conduct divine service within the College.

In setting about achieving its charitable objects, the College pursues several aims for the public benefit. These are to:

- Provide an education for undergraduates and graduate students recognised internationally as being of the highest standard, preparing students academically and so that they can play full and effective roles in society.
- Admit people best suited to take academic advantage of the education offered by the College, regardless of their gender, sexual orientation, age or educational, social, ethnic or personal background.
- Foster an intellectual and social environment that supports research at the highest level and offers a fertile ground for novel and collaborative approaches.
- Continue the tradition, preserved since its foundation, of the College Chapel as a place of spiritual and ethical reflection.
- Conserve and improve the College's buildings and grounds, preserving their historic significance and creating outstanding facilities for the intellectual and social life of King's.
- Use the College's resources sustainably, preserving intergenerational equity and securing the future success of the College as an institution of higher education.

The trustees have had due regard throughout the year to the Charity Commission's guidance on public benefit and consider that the College again delivered its planned public benefits in 2022-23.

Governance

The governing documents of the College are its Statutes and Ordinances of 1441, as amended from time to time. The charity trustees are the College Council, which is responsible for the general administration and management of the College and for ensuring compliance with charity law. The members of the Council are the Provost and ten Fellows, elected by the College's Governing Body for one-year terms. Council members may serve a maximum of four consecutive terms. The College Council meets on average five times per term, or more frequently as necessary.

The Governing Body of the College is the ultimate authority in the government of the College. It includes the Provost, all eligible Fellows and four students, at least one of whom is an undergraduate and one a post-graduate. Student representatives are elected by the College's undergraduate and post-graduate students. They attend for the discussion of all matters directly affecting the interests of

the College's students. The Governing Body meets twice a term or more frequently as necessary. A register of interests is recorded for all members of the Governing Body.

The principal officers of the College are the Provost, who is responsible for general oversight of the College, the Vice Provost, who deputises for the Provost and looks after the interests of the Fellows, the First Bursar who has responsibility for the overall management of the College and its finances, and the Senior Tutor who has overall charge of education within the College. Additionally, the Domus Bursar is responsible for the College's operations and estate, the Dean is charged with all activities within the College Chapel, the Director of Music is responsible for the College Choirs and music within the College, and the Director of Development oversees fundraising and alumni relations.

The Council and Governing Body are advised by several committees, each addressing a distinct area of College activity and whose members comprise Fellows and student members, elected annually. It is the duty of the Finance Committee to advise Council on the effectiveness of the College's internal systems of financial and other controls. The Governing Body appoints the Audit and Scrutiny Committee to act as internal auditors. It advises on the appointment of external auditors; considers reports from those auditors; monitors the implementation of recommendations; and makes an annual report to the Council and the Governing Body. The College maintains a conflicts of interest policy and systematically requires declarations of interest at all committee meetings.

The Visitor of the College is the Bishop of Lincoln.

Activities and achievements

Introduction

King's, like many higher education institutions, is facing into considerable headwinds and, while the restrictions of the COVID-19 pandemic have passed, its aftermath continues to affect the College. One of the most visible of these impacts is that King's educated more students in 2022-23 than at any time in its history. Undergraduate numbers swelled because of the generous marking of A-level examinations during the pandemic. The number of graduate students also increased, with many PhD students needing more time to complete their work under COVID restrictions.

A less apparent but equally important effect of the pandemic has been its impact on students' mental health. Successive cohorts of undergraduates have seen their lives and studies drastically disrupted by COVID-19. The impact of those experiences often comes to the fore at university and the College is keenly aware of the need to provide all the support it can to help our students flourish during their time in Cambridge. Both King's and the University have significantly expanded support for student mental health, including specialist help within College. We know, too, that we have a lot more to learn about these challenges and that more and new forms of support may need to be considered.

Alongside these pressures, King's has also had to face into turbulence in the wider economy. Historically high rates of inflation had a marked impact on students and non-academic staff, who were particularly vulnerable to pressures on the cost of living. Input costs rose, most obviously energy prices and food, and anxiety persisted about the ability to raise income from conferencing and visitors to the College.

It was against this background that the year was shaped by two aims:

Recovery

At the beginning of the year King's took the important decision to prioritise the recovery of its academic and social life over immediate financial pressures. This was a careful judgement, based on

scenario modelling of financial recovery, known and potential headwinds, and the long-term damage of a sharply restrictive approach to spending.

King’s supported almost eight hundred full and part-time students through the academic year. The numbers of undergraduate and postgraduate students in residence and registered with the University were:

	2018-19	2019-20	2020-21	2021-22	2022-23
Undergraduates	419	442	458	454	466
Postgraduates	251	278	294	320	326
Total	670	720	752	774	792

A considerable proportion of these students were provided with financial support through the College’s scholarships, bursaries, and other grants – many of which were made possible through the generous donations of our alumni during and after the pandemic. As well as support for individual students, the College expanded its subsidisation of student social activities.

The College continued to teach students in all subjects, except Land Economy and Veterinary Medicine, and King’s delivered over 8,000 hours of teaching during the year. Supervisions were most frequently given to pairs of students. The national marking and assessment boycott has meant that many student results were delayed: a quarter of finalists received their full results and were awarded their degrees in June 2023. Those results received to-date indicate that undergraduates at King’s are performing well in the Tripos.

Admissions to King’s remained strong, with 922 applications received, 150 students receiving an offer, and 125 admitted to the College. Of this cohort, 46% were female and 54% male. Of our UK entrants in 2023, a record 87% are state school educated and 29% met a range of widening participation criteria. As in previous years, the College was able to offer a number of students mentoring, tutoring, and financial support to help them meet their A-level offers.

King’s also continued to support its large Fellowship and, through them, the intellectual diversity and vibrancy of the College. The College provided for 74 Official Fellows in 2022-23, of whom 38 were University professors. Six new Fellows were admitted during the year, whilst four left the College or retired. The College also admitted a number of Bye Fellows, including Peter Frankopan as UNESCO Professor of Silk Roads Studies.

Resilience

The second aim for the year was to continue to strengthening King’s for the long term.

One visible aspect of this has been the College’s commitment to the sustainability of its estate. The year included the start of works to install solar panels to the roof of the Chapel, the first such scheme in Cambridge, and the completion of accommodation at Croft Gardens, the first major *Passivhaus* development in the city. In both projects the College was helped by extraordinarily generous contributions from our alumni; each of these works, and other projects to conserve and improve the estate, would have been very challenging without this support.

Another critical priority was attention to the community life of the College. A conscious effort was needed among students, Fellows, and non-academic staff not just to return to old habits, but to rediscover a ‘zest’ for intellectual discourse and sociability of King’s. All parts of the College contributed to this, supported by a varied programme of events and new activities designed to bring people together. The *Festival of Nine Lessons & Carols* was a key moment, as ever; another was a

summer 'festival' of talks, exhibitions and concerts that marked fifty years since the matriculation of women at King's.

A key element of the College's development has been a shared commitment to equality, diversity, and inclusion. As part of this, the College completed its research project into the Legacies of Slavery. The project explored connections between the College and enslavement in the British colonies. The financial benefits accrued to the College, including bequests from those who benefitted financially from enslavement, were detailed in the report. The recommendations of the report are being taken forward by a newly formed committee for equality, diversity, and inclusion.

Lastly, the College strengthened various aspects of its administration. These changes ranged across the waterfront of life at King's with a particularly significant change being the legal separation of the Choir School. The School became a separate charity with its directors taking responsibility for its organisation and conduct; the College's Choristers will still be educated at the School and the relationship between the School and College will remain strong.

Financial performance

The breadth of the year's activity was achieved only by a remarkable effort from students, Fellows, and our non-academic staff. King's retained the vast majority of its staff through the pandemic and, this year, we reaped the benefits in the smooth running of our academic and non-academic work. The College has a remarkable culture of collegiality and it was this, as well as many outstanding individual efforts, that helped see us through the year.

With its emphasis on academic and social recovery, and on building resilience, the College agreed a budget that targeted an operational deficit, in management accounts, of £1.2 million. However, supported by the work of its Fellows and non-academic staff, and buoyed by better-than-expected operating income, the College succeeded in returning a lower deficit of £0.6 million. This was a remarkable performance in such a challenging environment.

Future plans

The overriding task of recent years has been to manage through the challenges and uncertainty caused by the COVID-19 pandemic. As it emerges from that period, the College has begun to look ahead. In the coming year, consideration will be given to strategic priorities for the medium and long term. These will focus on how best to continue the College's charitable objects, adapting to wider trends in higher education, and making the most of King's distinctive culture and capabilities.

Financial review

Scope of the financial statements

The consolidated financial statements include the College and the College's wholly owned subsidiaries, which are:

- King's College Cambridge Enterprises Limited
- King's College Cambridge Developments Limited

Together, these entities comprise the Group. References to the College in the Financial Review refer to the results of the Group.

The financial statements are produced by the College having regard to the Recommended Cambridge College Account (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners.

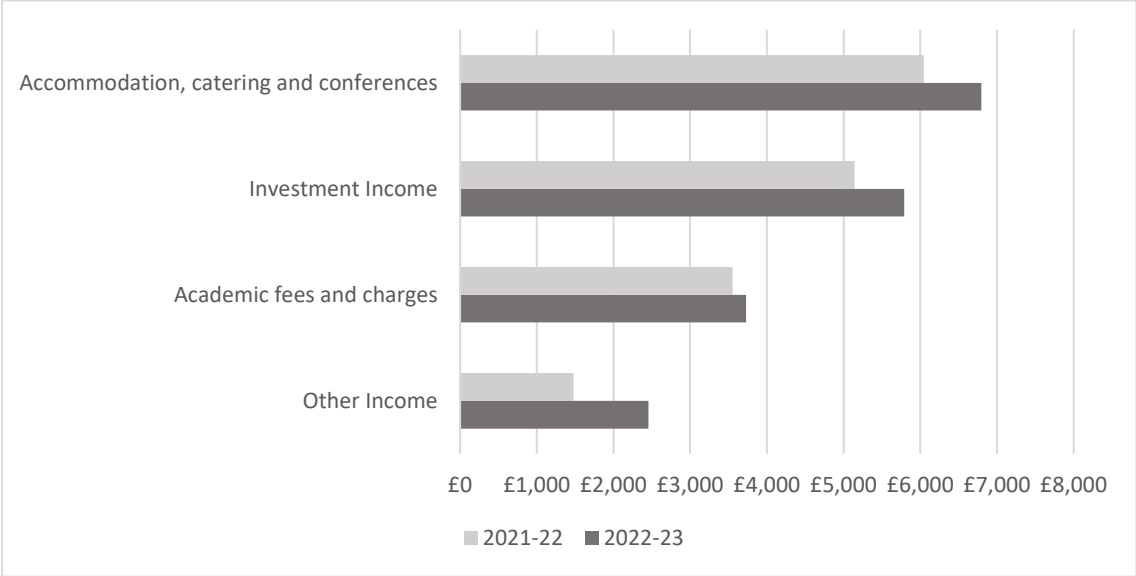
A significant feature of this year’s statements is the absence of King’s College School. Following the creation of the School as a distinct legal entity, separately regulated and whose relations to the College are managed by contract, the College and School’s accounts are now reported independently. For purposes of comparison, the School accounted for £6.9m income and £6.2m expenditure in 2022.

Results overview

Income before donations and endowments

Income before donations and endowments (excluding the School) grew 15.7% from £16.2m in 2022 to £18.8m in 2023. This was driven substantially by the return of incomes from accommodation, catering and conferencing and other income, largely from visitors to the College. These showed healthy growth, albeit not fully recovering to levels achieved before the COVID-19 pandemic.

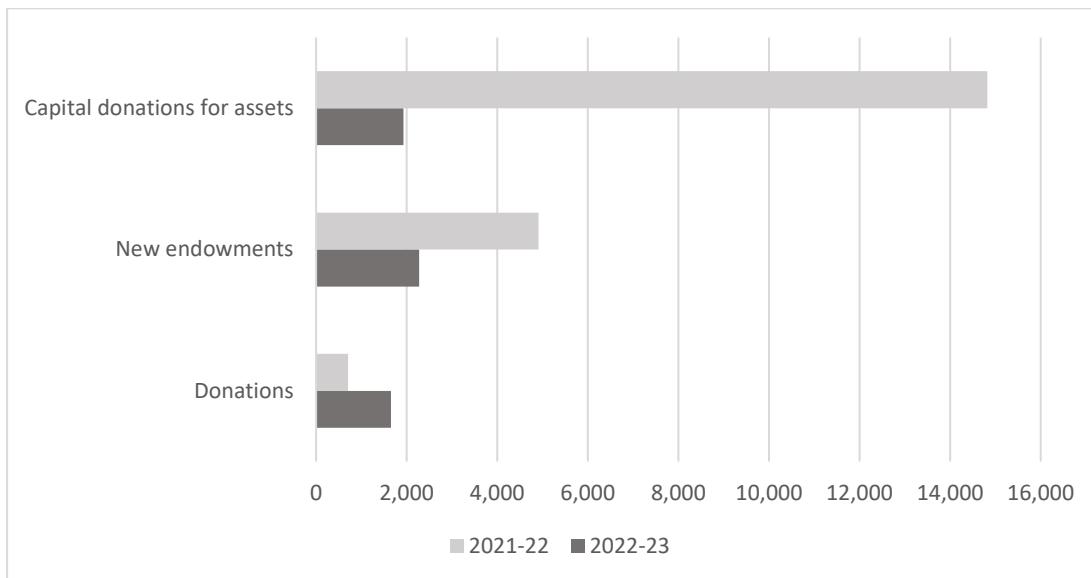
Investment income also grew significantly, largely due to growth in the endowment as capital markets recovered. (The College has a ‘spending rule’ that sets the maximum withdrawal from the endowment at 3.35% of the average year-end value of the endowment for the preceding five years. This is designed to reduce the effect on income of fluctuations in investment returns.)



Income from donations and endowments

King’s fundraising is focused on five areas: student support, including bursaries and scholarships; teaching and research; maintenance and development of the College estate; extracurricular activities; and a ‘future fund’ to support the College’s long-term development.

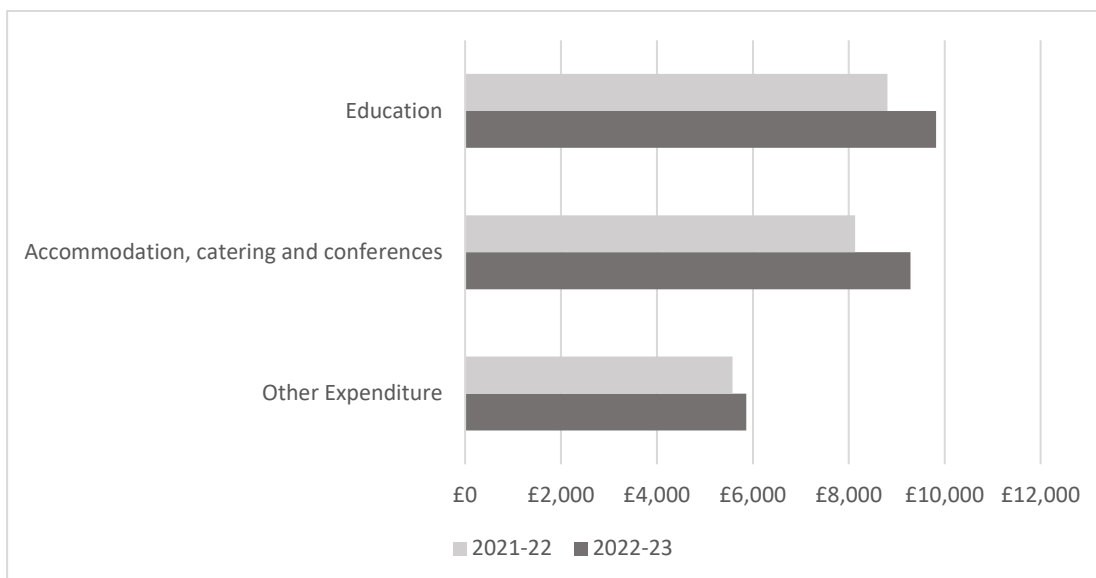
Total donations and endowments were down from an exceptional £20.4m in 2022 to £5.9m in 2023. The College was fortunate last year to receive some exceptional donations, particularly to fund the building of new accommodation at Stephen Taylor Court. Donations recorded in 2023 remain considerably higher than the College’s historic run rate.



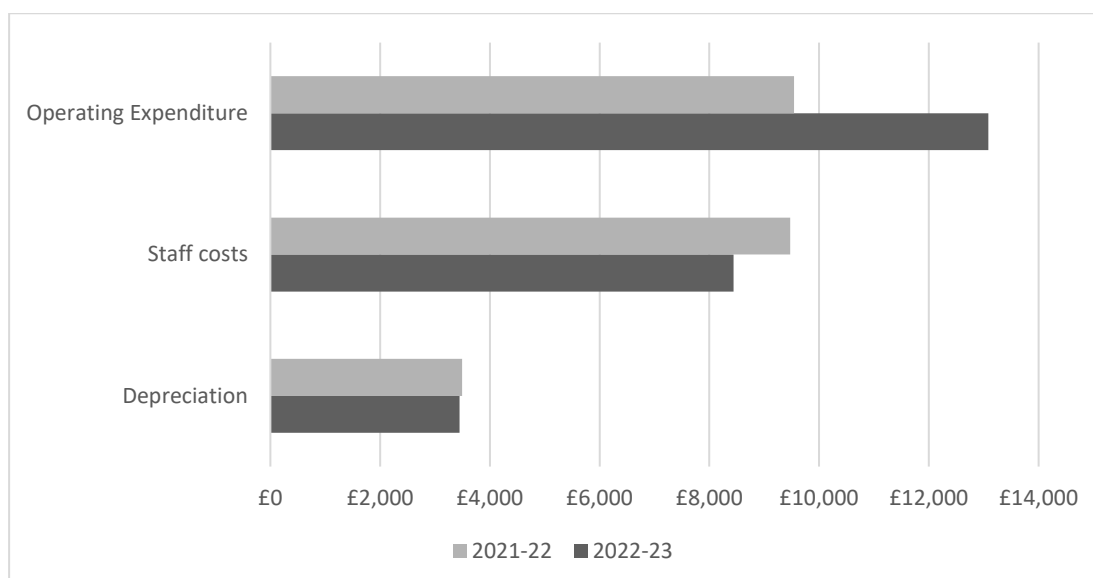
King’s College is committed to best practice in relation to all fundraising activities, which are carried out by an in-house Development team who are subject to the scrutiny of the Development Committee and College Council. The College did not engage any third parties to carry out fundraising activities on its behalf during the year. The College is registered with the Fundraising Regulator and has set up internal protocols and procedures to adhere to the Code of Fundraising Practice as a set of guiding principles to ensure fundraising is legal, open, honest and respectful.

Expenditure

Total expenditure (excluding the School) grew 10.9% in the year. This was partly because of the College’s return to pre-pandemic levels of activity, but also substantially related to the high-inflation environment and other macro drivers of input costs. These were the principal drivers of increases in expenditure on Education and Accommodation, Catering and Conferences.



The expenditure for each of the activities described above is made up of staff costs, other operating expenses, and depreciation as set out below.



Falls in spending on staffing were the result of changes in pension provision. Excluding these impacts, staffing costs rose 11% in the year driven by increases in pay (to support the cost of living) and a modest growth in headcount.

The College experienced a significant increase in operating expenditure, from £9.5m to £13.0m. This related to a one-off transfer of £1.7m involved in the creation of King's College School as a distinct legal entity. The school had accrued funds, which to College held, and that were transferred to the School's accounts as part of the legal separation. There were also substantial increases in energy costs and funding for students.

Depreciation fell slightly through the College's annual independent valuation, with an impact on the overall depreciation period.

Capital expenditure

The College's capital expenditure on tangible fixed assets during the year was £10.2m, compared to a prior year figure of £20.4m. Expenditure in 2022-23 was driven by the completion of the College's new development at Croft Gardens (£2.0m), renovation of student accommodation in Spalding Hostel (£4.5m), renovation of the roof of the Chapel (£2.7m) and more minor expenditure to repair the roof of the Gatehouse at the front of the College (£0.3m). Other significant items of capital expenditure were necessary improvements in IT infrastructure.

Balance sheet

Consolidated net assets were £431m for the Group, up £8.7m from 2022. This growth was driven mainly by a 9.2% increase in investment assets (see below). The College holds £15.8m debt at a rate of 4.4% repayable between 2043-2053. At 30 June 2023, borrowing stood at 3.5% of total assets less current liabilities. There was no new borrowing in the year.

Reserves

Unrestricted reserves grew by £1.0m to £260.6m. This included £244.3m of tangible fixed assets and heritage assets, implying 'free reserves' of £16.3m. Free reserves provide working capital to fund unexpected opportunities or to provide a degree of protection against unforeseen expenditure or unanticipated loss of income. The College's free reserves in 2023 are a growth of £5.3m from 2022 and amount to approximately 12 months of operational expenditure.

Restricted reserves for 2023 were £170.6m, an increase of 4.7% (£7.6m) on 2022. This was driven by investment returns and new donations, offset by spending down of expendable funds.

Endowment and investment performance

The College has a pool of capital (known as the 'Endowment') invested for the long-term to support its charitable activities (see note 14).

The College aims to manage the total return from the Endowment so that the long-term capital value is preserved in real terms, such that the College itself can fulfil its charitable objects in perpetuity. The College also believes it has a responsibility for its investments. The Investment Committee monitors both the performance of the College's investments and their environmental, social and governance aims. The College does not hold, and has not held for a long period, any direct investments in fossil fuels. A more detailed statement of the College's approach is available on the College website.

The total value of the Endowment was £205.1m in 2023, up 9.2% from 2022 (£187.8m). The Endowment benefitted from an £11.0m transfer due to the legal separation of the School (with the School now accounted as an investment asset). The remaining growth was driven largely by the College's securities portfolio, which benefitted from rises in global capital markets. These increases were offset by withdrawal of £3.8m to support the College's capital expenditure and cash reserve. A further pressure was a fall in value of the College's investment property holdings, almost all of which are local to Cambridge and which declined in line with the local market.

Principal risks and uncertainties

The major risks to which King's is exposed are assessed by the Finance Committee reporting to Council, using the College's Risk Register. The principal risks the College must address relate to its ability to maintain and develop its educational and research activity and, as part of that, to attract the best academic and non-academic staff, and to maintain and enhance its physical facilities.

Key financial uncertainties and risks, and the measures taken to manage them, are:

- Weak or volatile macro environment preventing recovery of operating surplus: The College has prepared scenario forecasts around the recovery of operating surplus, investment income, and investment valuations, and is reviewing this on an ongoing basis as the macroeconomic, geopolitical, and UK policy contexts evolve. The College's processes for in-year performance management include a regular assessment of income and expenditure across departments and early identification of variances against single and multi-year forecasts.
- Movements in investment markets reducing the value of the Endowment: The College's Investments Committee considers, with independent advice, what is the sustainable investment return and reports this to the Annual Congregation. The target spending rate is set at a prudent level to preserve the Endowment in real terms, and the Investment Committee aims to reduce volatility so as to protect the College's income from rapid changes in the investment markets;
- Unexpected in-year operational or capital expenditure: The College regularly monitors spending across all departments and material variances are discussed by the Finance Committee with appropriate actions taken in response. Any significant in-year changes require approval from the College Council or, for larger sums, from the Governing Body. The condition of the College estate is assessed through regular surveys, the incidence of complaints or accidents, and a long-term maintenance and refurbishment programme is in place with appropriate resourcing to preserve the condition of estate.

The College monitors and manages risks more widely through the internal control processes outlined in the Statement of Internal Control below.

Responsibilities of the College Council

The Council is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the *Statement of Recommended Practice: Accounting for Further and Higher Education*.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the College will continue in operation.

The College has prepared a detailed budget covering the period to 30 June 2024 as well as a five-year forecast of expected demands on the College's operating position and capital expenditure. Accordingly, the trustees believe the College's financial resources are sufficient to ensure there are no material uncertainties around its ability to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements, and have therefore prepared the financial statements on the going concern basis.

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

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

Statement of Internal Control

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

The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established. The Council has sixteen regular meetings each year and, as part of the annual planning round, considers the major risks to which the College and its subsidiary undertakings are exposed and satisfies itself that systems or procedures are established to manage those risks.

Key controls used by the College include:

- Strategic planning, budgeting, management accounting and cashflow forecasting.
- Authorisation and approval levels.
- Clear terms of reference for all committees.
- Formal agendas for all committee and Council meetings.
- Formal written policies in significant areas such as health and safety and safeguarding.

The College is improving these controls through various refinements, including to the risk review processes, processes for in-year performance management, financial reviews of key departments, and increased resourcing of central functions, including Finance, Legal and Governance, and Human Resources.

The Council’s oversight of internal controls is informed by the work of the committees and College Officers, including the College Audit and Scrutiny Committee, and by comments made by the external auditors in their management letter and other reports.

Outlook

King’s is fortunate in being reasonably well-endowed for the size and scope of its operations. This has allowed the College to weather a very turbulent period. At the same time, both the University and the UK higher education sector will face significant challenges in coming years. These are most visibly financial but relate to wider economic, social, and political challenges regarding the sustainability of world-class research, continued provision of outstanding teaching, support for students’ finances, provision for student mental health, and efforts to broaden access to higher education in the UK. As new headwinds have emerged, the College remains focused on securing its medium-term recovery. As it looks to the long-term, however, the College will need to continue to refine its priorities to adapt to the significant challenges facing the University and wider sector.

On behalf of College Council,



Gillian Tett Provost

21 November 2023



Ivan Collister
First Bursar

Independent Auditors' Report to the Council and Governing Body of King's College, Cambridge

We have audited the financial statements of King's 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 and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Council and Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Council and Governing Body

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

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

Auditors' responsibilities for the audit of the financial statements

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

the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website. This description forms part of our auditors' report.

Use of our report

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

Kelly Bretherick
Partner
For and on behalf of
Peters Elworthy and Moore
Chartered Accountants and Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

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

Statement of Principal Accounting Policies

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 10.

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

Going concern

The global health crisis caused by COVID-19 had a significant impact on all businesses and the recovery is not yet complete. The economic difficulties caused by the war in Ukraine, and financial concerns within the Country have also increased inflation. This adds to the pressure both our students and staff face and requires further resources from the College.

The Trustees have prepared forecasts for the period to 2028 and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

Basis of accounting

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

Basis of consolidation

The financial statements for 2022-23 incorporate those of the College and the College's subsidiaries, King's College Cambridge Developments Limited and King's College Cambridge Enterprises Limited. The figures for 2021-22 include the School and KCS Facilities Limited.

The accounts do not include the activities of the King's College Student Union and King's College Graduate Society, on the basis that the College does not have control over the operations of these entities.

Recognition of income and investment return

Academic fees

Academic fees are recognised in the period to which they relate and include 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 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 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 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 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 College operates a total return policy with regard to its endowment assets (including property). Spendable income equivalent to 3.35% of the average endowment for the last five years is included as endowment income and investment management costs are charged against capital.

Other income

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

Cambridge Bursary Scheme

The Cambridge Bursary Scheme (CBS) administration has changed from 2016/17:

- The Student Loan Company (SLC) assesses the students for CBS eligibility.
- The SLC pays the student direct for the CBS payment and then takes the money from the College by direct debit.
- At the end of term, the University provides the College with a list of students and a breakdown of the University and College contributions.

The College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges.

The net payment of £188k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£271k
Expenditure	£459k

Foreign currency translation

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

Pension schemes

The College pays contributions to three pension schemes which provide benefits to its members based on final pensionable salary and one defined contribution pension scheme, 'NOW: Pensions'. The assets of these schemes are held separately from those of the College.

Universities Superannuation Scheme

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

to the deficit) and therefore an expense is recognised through the Statement of Comprehensive Income and Expenditure.

Cambridge Colleges Federated Pension Scheme

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

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date for accounting purposes. The assets of the Scheme are measured at fair value, and liabilities are estimated on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond. The resulting net asset or liability is presented separately after total assets less current liabilities on the face of the balance sheet.

Church of England Funded Pensions Scheme

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This means it is not possible to attribute the Scheme’s assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

NOW: Pensions

The College also operates a defined contribution scheme NOW: Pensions. This is a UK multi-employer pension fund and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Fixed assets

Land and buildings

College land and buildings used for operational purposes (to house College Members) are stated at depreciated replacement cost at the 30 June 2023 following a revaluation review carried out by professional valuers, Gerald Eve. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives with a range for the different buildings (excluding the Chapel) between 45 years to 115 years. The Chapel is depreciated over 200 years. Freehold land is not shown separately and is not depreciated. Assets 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.

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.

Maintenance of premises

The cost of major refurbishment is capitalised and depreciated over the expected useful economic life. The cost of routine maintenance under £10,000 is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

Plant, furniture, fittings and equipment

Plant, furniture, fittings and equipment are capitalised at cost. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets, which are as follows:

Plant	20 years
Furniture and equipment	10 years
Computer equipment	5 years

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 July 2006 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 2006 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Securities

Securities listed on a recognised stock exchange are shown at their market value, i.e. the middle market quotation ruling at the close of business on 30 June, translated for overseas investments into sterling at the rates of exchange ruling at that date. Unlisted securities are shown at the Governing Body's estimate of fair value.

Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included as earned. Interest purchased or sold as part of the price for investments is treated as capital rather than being brought into the statement of comprehensive income and expenditure.

Properties

The College takes advice from its agents each year on the value of its properties and carries out a full valuation periodically.

Other investments

Shared equity housing interests are stated at cost. Royalties are held at valuation and are valued periodically by independent valuers.

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

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

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 and Expenditure. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less

impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

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

Financial liabilities

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

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

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income and Expenditure 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.

Employment benefits

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

Reserves

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

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

Taxation

The College is a registered charity (number 1139422) 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.

Critical accounting estimates and judgements

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

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

- Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.
- Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 12.
- Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

- Investment property – Properties are revalued to their fair value at the reporting date by either Bidwells or Savills. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.
- Retirement benefit obligations – The cost of defined benefit pension plans 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 27.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. 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 27.

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

Statement of Comprehensive Income and Expenditure

Year ended 30 June 2023

	Note	Unrestricted £000	Restricted £000	Endowment £000	Total 2023 £000	Unrestricted £000	Restricted £000	Endowment £000	Total 2022 £000
INCOME									
Academic fees and charges	1	3,456	271	-	3,727	3,305	248	-	3,553
Accommodation, catering and conferences	2	6,796	-	-	6,796	6,044	-	-	6,044
School	3	-	-	-	-	6,855	-	-	6,855
Investment income	4	691	458	4,643	5,792	401	212	4,529	5,142
Endowment return transferred	4	3,312	2,811	(6,123)	-	3,393	2,770	(6,163)	-
Other income	5	2,456	-	-	2,456	1,479	-	-	1,479
Total income before donations and endowments		16,711	3,540	(1,480)	18,771	21,477	3,230	(1,634)	23,073
Donations		818	837	-	1,655	175	533	-	708
New endowments		-	2,149	127	2,276	-	4,787	121	4,908
Capital donations for assets		-	1,932	-	1,932	-	14,820	-	14,820
Total Income		17,529	8,458	(1,353)	24,634	21,652	23,370	(1,513)	43,509
EXPENDITURE									
Education	6	5,942	3,878	-	9,820	5,497	3,308	-	8,805
Accommodation, catering and conferences	7	9,198	88	-	9,286	8,062	70	-	8,132
School	8	-	-	-	-	6,230	-	-	6,230
Other expenditure	9	3,554	1,300	912	5,766	3,586	1,123	774	5,483
Contribution under Statute G,II		95	-	-	95	91	-	-	91
Total expenditure		18,789	5,266	912	24,967	23,466	4,501	774	28,741
(Deficit)/surplus before other gains and losses		(1,260)	3,192	(2,265)	(333)	(1,814)	18,869	(2,287)	14,768
Gain/(loss) on investments		1,439	1,759	5,973	9,171	(991)	(1,485)	(999)	(3,475)
Surplus/(deficit) for the year		179	4,951	3,708	8,838	(2,805)	17,384	(3,286)	11,293
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		188	-	-	188	5,374	-	-	5,374
Actuarial gain/(loss) in respect of pension schemes		(372)	-	-	(372)	815	-	-	815
Total comprehensive income for year		(5)	4,951	3,708	8,654	3,384	17,384	(3,286)	17,482

The notes on pages 31 to 52 form part of these accounts

Statement of Changes in Reserves

Year ended 30 June 2023

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2022	259,546	58,747	104,234	422,527
Surplus from income and expenditure statement	179	4,951	3,708	8,838
Other comprehensive income/(expenditure)	(184)	-	-	(184)
Transfer in year	(24)	24	-	-
Release of restricted capital funds spent in the year	1,040	(1,040)	-	-
Balance at 30 June 2023	<u>260,557</u>	<u>62,682</u>	<u>107,942</u>	<u>431,181</u>

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2021	233,243	63,838	107,964	405,045
Surplus from income and expenditure statement	(2,805)	17,384	(3,286)	11,293
Other comprehensive income	6,189	-	-	6,189
Transfer in year	3,870	(3,426)	(444)	-
Release of restricted capital funds spent in the year	19,049	(19,049)	-	-
Balance at 30 June 2022	<u>259,546</u>	<u>58,747</u>	<u>104,234</u>	<u>422,527</u>

The notes on pages 31 to 52 form part of these accounts

Consolidated and College Balance Sheets

As at 30 June 2023

	Note	Group 2023 £000	College 2023 £000	Group 2022 £000	College 2022 £000
NON-CURRENT ASSETS					
Tangible assets	12	242,591	242,518	247,136	247,053
Heritage assets	13	1,696	1,696	1,481	1,481
Investment assets	14	205,058	205,058	187,757	187,757
Total non-current assets		<u>449,345</u>	<u>449,272</u>	<u>436,374</u>	<u>436,291</u>
CURRENT ASSETS					
Stocks - good for resale		3,959	34	3,720	41
Trade and other receivables	15	3,230	9,120	3,251	9,137
Cash and cash equivalents	16	3,053	494	7,780	5,000
Total current assets		<u>10,242</u>	<u>9,648</u>	<u>14,751</u>	<u>14,178</u>
CREDITORS: amounts falling due within one year	17	(8,645)	(7,982)	(8,504)	(7,846)
NET CURRENT ASSETS		<u>1,597</u>	<u>1,666</u>	<u>6,247</u>	<u>6,332</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>450,942</u>	<u>450,938</u>	<u>442,621</u>	<u>442,623</u>
CREDITORS: amounts falling due after more than one year	18	(15,769)	(15,769)	(15,974)	(15,974)
Provisions					
Pension provisions	19	(3,992)	(3,992)	(4,120)	(4,120)
TOTAL NET ASSETS		<u>431,181</u>	<u>431,177</u>	<u>422,527</u>	<u>422,529</u>
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	20	107,942	107,942	104,234	104,234
Income and expenditure reserve – restricted reserve	21	62,682	62,682	58,747	58,747
		<u>170,624</u>	<u>170,624</u>	<u>162,981</u>	<u>162,981</u>
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted reserve		255,183	255,179	254,172	254,174
Revaluation reserve		5,374	5,374	5,374	5,374
		<u>260,557</u>	<u>260,553</u>	<u>259,546</u>	<u>259,548</u>
TOTAL RESERVES		<u>431,181</u>	<u>431,177</u>	<u>422,527</u>	<u>422,529</u>

Approved by Council on 21 November 2023 and signed on their behalf by Dr Ivan Collister, First Bursar

The notes on pages 31 to 52 form part of these accounts



Consolidated Cash Flow Statement

Year ended 30 June 2023

	2023	2022
	£000	£000
Surplus for the year	8,838	11,293
Adjustment for non-cash items		
Depreciation	3,445	3,893
Non-cash donations to King's College School	450	-
Non-cash donations or donated shares	(127)	(23)
Loss/(gain) on endowments, donations and investment property	(9,171)	3,475
Pension scheme (credit)/debit	(498)	1,444
(Increase)/decrease in stocks	(254)	137
Decrease/(increase) in debtors	994	(1,146)
Increase/(decrease) in creditors	149	(234)
Adjusting for investing or financing activities		
Investment income	(7,272)	(6,777)
Interest payable	666	666
Profit on sale of non-current assets	-	-
Net cash flows from operating activities	<u>(2,780)</u>	<u>12,728</u>
Cash flows from investing activities		
Investment income	5,034	4,410
Net cash transferred to King's College School	(1,079)	-
Non-current investment disposal	5,859	8,006
Payments to acquire non-current fixed assets	(10,249)	(20,384)
Payments to acquire non-current heritage assets	(216)	-
Payments to acquire non-current investments	(630)	(830)
Net cash flows from investing activities	<u>(1,281)</u>	<u>(8,798)</u>
Cash flows from financing activities		
Interest paid	(666)	(666)
	<u>(666)</u>	<u>(666)</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>(4,727)</u>	<u>3,264</u>
Cash and cash equivalents at beginning of year	7,780	4,516
(Decrease)/increase in cash and cash equivalents in the year	(4,727)	3,264
Cash and cash equivalents at end of the year (note 16)	<u>3,053</u>	<u>7,780</u>

The notes on pages 31 to 52 form part of these accounts

Notes to the Financial Statements

As at 30 June 2023

1. ACADEMIC FEES AND CHARGES

	2023	2022
	£000	£000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,783	1,746
Fee income received at the Unregulated Undergraduate rate	667	559
Fee income received at the Graduate rate	967	971
	<hr/>	<hr/>
Total fee income	3,417	3,276
Other academic income	39	30
Cambridge Bursary Scheme	271	247
	<hr/>	<hr/>
Total	<u>3,727</u>	<u>3,553</u>

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2023	2022
	£000	£000
Accommodation		
College members	3,796	3,161
International programmes	44	-
Third parties	526	173
Catering		
College members	1,141	982
International programmes	22	-
Third parties	1,267	1,728
	<hr/>	<hr/>
Total	<u>6,796</u>	<u>6,044</u>

3. SCHOOL INCOME

	2023	2022
	£000	£000
Fees	-	6,670
Other income	-	185
	<hr/>	<hr/>
Total	<u>-</u>	<u>6,855</u>

Notes to the Financial Statements

4. ENDOWMENT RETURN AND INVESTMENT INCOME

	2023 £000	2022 £000
4a. Analysis of Investment Income		
Income drawdown from endowment (note 4b)	6,123	6,163
Other investment income	458	212
Rent from King's College School	370	-
Cash balances and shared equity properties	55	32
Royalties	266	369
	<u>7,272</u>	<u>6,776</u>
(Losses)/gains on investment assets:		
(Losses)/gains on total return investment assets (below)	9,055	(3,564)
Gains on other investment assets	116	89
	<u>9,171</u>	<u>(3,475)</u>
4b. Summary of Total Return		
<u>Income from:</u>		
Freehold land and buildings	1,840	1,549
Quoted securities and cash	2,803	2,980
	<u>4,643</u>	<u>4,529</u>
<u>Gains/(losses) on total return investment assets:</u>		
Freehold land and buildings	(2,225)	3,084
Quoted securities and cash	11,280	(6,648)
	<u>9,055</u>	<u>(3,564)</u>
<u>Investment management costs in respect of:</u>		
Freehold land and buildings	(526)	(366)
Quoted securities and cash	(386)	(408)
	<u>(912)</u>	<u>(774)</u>
Total return for the year	12,786	191
Transfer to income and expenditure reserve (note 4a)	(6,123)	(6,163)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 22)	6,663	(5,972)

Notes to the Financial Statements

5. OTHER INCOME

	2023	2022
	£000	£000
Tourist admissions and shop sales	1,998	980
Chapel and choir	338	281
HMRC Job Retention Scheme grant	-	64
Other income	120	154
	<hr/>	<hr/>
Total	<u>2,456</u>	<u>1,479</u>

6. EDUCATION EXPENDITURE

	2023	2022
	£000	£000
Teaching	3,113	3,062
Tutorial	872	765
Admissions - General	527	492
Admissions - Access and Widening Participation	944	1,057
Research	1,761	1,318
Scholarships and awards	1,886	1,538
Other educational facilities	717	573
	<hr/>	<hr/>
Total	<u>9,820</u>	<u>8,805</u>

7. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE

Accommodation		
College members	5,138	4,580
Third parties	1,302	1,158
Catering		
College members	1,974	1,520
Third parties	872	874
	<hr/>	<hr/>
Total	<u>9,286</u>	<u>8,132</u>

8. SCHOOL EXPENDITURE

	2023	2022
	£000	£000
Staff costs	-	4,530
Other expenditure	-	1,301
Depreciation	-	399
	<hr/>	<hr/>
Total	<u>-</u>	<u>6,230</u>

Notes to the Financial Statements

9. OTHER EXPENDITURE

	2023	2022
	£000	£000
Investment management costs	1,077	939
Loan interest	666	666
Tourist admission and shop expenditure	351	491
Chapel expenditure	2,060	1,556
Development	187	168
FRS 102 pension provision	(467)	1,492
Other expenditure	1,892	171
	<u>5,766</u>	<u>5,483</u>
Total	<u><u>5,766</u></u>	<u><u>5,483</u></u>
Included within other costs is auditors' remuneration as follows:		
Fees payable to the College's auditors for the audit of the College's annual accounts	42	31
Fees payable to the College's auditors for the audit of the College's subsidiaries	9	9
	<u>51</u>	<u>40</u>
Total fees payable	<u><u>51</u></u>	<u><u>40</u></u>

10. ANALYSIS OF EXPENDITURE BY ACTIVITY

	Staff costs	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
2022/23				
Education	3,871	5,142	807	9,820
Accommodation, catering and conferences	3,792	3,039	2,455	9,286
School	-	-	-	-
Other	778	4,805	183	5,766
Contribution under Statute G,II	-	95	-	95
	<u>8,441</u>	<u>13,081</u>	<u>3,445</u>	<u>24,967</u>
	<u><u>8,441</u></u>	<u><u>13,081</u></u>	<u><u>3,445</u></u>	<u><u>24,967</u></u>

	Staff costs	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
2021/22				
Education	3,649	4,338	818	8,805
Accommodation, catering and conferences	3,278	2,363	2,491	8,132
School	4,530	1,301	399	6,230
Other	2,545	2,753	185	5,483
Contribution under Statute G,II	-	91	-	91
	<u>14,002</u>	<u>10,846</u>	<u>3,893</u>	<u>28,741</u>
	<u><u>14,002</u></u>	<u><u>10,846</u></u>	<u><u>3,893</u></u>	<u><u>28,741</u></u>

The above expenditure includes £577k as the cost of fundraising (2021/22: £501k).

Notes to the Financial Statements

11. STAFF EXPENDITURE

	College fellows £000	Non-academic £000	Total 2023 £000	Total 2022 £000
Staff costs				
Salaries and wages	1,849	5,662	7,511	10,204
National Insurance	154	477	631	883
Pension contributions (see note 27)	32	267	299	2,915
	<u>2,035</u>	<u>6,406</u>	<u>8,441</u>	<u>14,002</u>
Average staff numbers	No. of Fellows	FTE non-academic staff	FTE school staff	
2022/23	<u>105</u>	<u>184</u>	<u>-</u>	
2021/22	<u>88</u>	<u>179</u>	<u>94</u>	

At the balance sheet date there were 133 members of the Governing Body. During the year the average number receiving remuneration was the 105 shown above.

The number of officers or employees of the College, including Head of House and School, who received remuneration (including salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided gross of any salary sacrifice arrangements) in the following ranges were:

	2023	2022
£100,000-£109,999	1	1
£110,000-£119,999	1	1
£120,000-£129,999	1	2
£130,000-£139,999	1	-
£140,000-£149,999	-	1
£150,000-£159,999	1	-
	<u>1</u>	<u>-</u>

	2023 £000	2022 £000
During the year remuneration paid to key management personnel in their capacity as College Fellows were:		
Key management personnel aggregated remuneration	<u>616</u>	<u>595</u>

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

Notes to the Financial Statements

12. FIXED ASSETS

a) CONSOLIDATED

Cost	Freehold		Asset in Course of Construction	Plant, Furniture and equipment	Computer Equipment	Group 2023 £000	Group 2022 £000
	Land	Buildings					
At 1 July 2022	83,998	113,531	2,063	52,909	2,035	254,536	249,818
Additions	-	2,227	7,146	602	274	10,249	20,384
Disposals	-	-	-	(1,791)	(1,097)	(2,888)	(5)
Revaluation in year	-	-	-	-	-	-	(15,791)
Transfer (to)/from investment properties	-	(14,205)	-	-	-	(14,205)	130
At 30 June 2023	83,998	101,553	9,209	51,720	1,212	247,692	254,536
Depreciation							
At 1 July 2022	-	3,593	-	2,116	1,691	7,400	24,677
Charge for the year	-	1,176	-	2,216	53	3,445	3,893
Revaluation in year	-	-	-	-	-	-	(21,165)
Transfer (to)/from investment properties	-	(3,364)	-	-	-	(3,364)	-
Disposals	-	-	-	(1,375)	(1,005)	(2,380)	(5)
At 30 June 2023	-	1,405	-	2,957	739	5,101	7,400
Net book value – Group	83,998	100,148	9,209	48,763	473	242,591	247,136
Net book value is represented by;							
College	83,998	100,148	9,209	48,763	473	242,591	235,785
School	-	-	-	-	-	-	11,351
Total	83,998	100,148	9,209	48,763	473	242,591	247,136

b) COLLEGE

Cost	Freehold		Asset in Course of Construction	Plant, Furniture and equipment	Computer Equipment	College 2023 £000	College 2022 £000
	Land	Buildings					
At 1 July 2022	83,998	113,537	2,063	52,681	1,952	254,231	249,521
Additions	-	2,228	7,146	592	272	10,238	20,378
Disposals	-	-	-	(1,791)	(1,099)	(2,890)	(7)
Revaluation in year	-	-	-	-	-	-	(15,791)
Transfer (to)/from investment properties	-	(14,205)	-	-	-	(14,205)	130
At 30 June 2023	83,998	101,560	9,209	51,482	1,125	247,374	254,231
Depreciation							
At 1 July 2022	-	3,592	-	1,975	1,611	7,178	24,477
Charge for the year	-	1,175	-	2,195	52	3,422	3,871
Revaluation in year	-	-	-	-	-	-	(21,165)
Transfer (to)/from investment properties	-	(3,364)	-	-	-	(3,364)	-
Disposals	-	-	-	(1,375)	(1,005)	(2,380)	(5)
At 30 June 2023	-	1,403	-	2,795	658	4,856	7,178
Net book value - College	83,998	100,157	9,209	48,687	467	242,518	247,053

Notes to the Financial Statements

12. FIXED ASSETS (continued)

	<u>Freehold</u> <u>Land</u>	<u>Buildings</u>	<u>Asset in</u> <u>Course of</u> <u>Construction</u>	<u>Plant,</u> <u>Furniture</u> <u>and</u> <u>equipment</u>	<u>Computer</u> <u>Equipment</u>	College 2023 £000	College 2023 £000
Net book value is represented by;							
College	83,998	100,157	9,209	48,687	467	242,518	235,702
School	-	-	-	-	-	-	11,351
Total	83,998	100,157	9,209	48,687	467	242,518	247,053

- c) The insured value of freehold land and buildings as at 30 June 2023 was £309 million (£305 million at 30 June 2022).

13. HERITAGE ASSETS

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2006 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous five years were as follows:

	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Balance at beginning of year	1,481	1,481	1,481	1,481	1,466	1,466
Acquisitions purchased with specific donations	215	-	-	-	-	-
Acquisitions purchased with College funds	-	-	-	-	15	-
Total cost of acquisitions purchased	215	-	-	-	15	-
Balance at end of year	1,696	1,481	1,481	1,481	1,481	1,466

Notes to the Financial Statements

14. INVESTMENTS ASSETS

	Group 2023 £000	College 2023 £000	Group 2022 £000	College 2022 £000
Balance at beginning of year	187,757	187,757	196,145	196,145
Additions	-	-	4,316	4,316
Disposals	(3,797)	(3,797)	(5,726)	(5,726)
Gain/(loss)	8,943	8,943	(3,736)	(3,736)
Transfer to operational buildings	11,000	11,000	(130)	(130)
Increase/(decrease) in cash balances held	1,155	1,155	(3,112)	(3,112)
Balance at end of year	<u>205,058</u>	<u>205,058</u>	<u>187,757</u>	<u>187,757</u>
Represented by:				
Quoted securities and unit trusts	146,551	146,551	142,398	142,398
Quoted securities – fixed interest	951	951	843	843
Freehold land and buildings	42,255	42,255	32,364	32,364
Investment in subsidiary undertakings	-	-	-	-
Unlisted securities	10,333	10,333	8,342	8,342
Cash with fund managers	1,671	1,671	541	541
College joint equity scheme	2,195	2,195	2,055	2,055
Literary royalties	1,102	1,102	1,214	1,214
Total	<u>205,058</u>	<u>205,058</u>	<u>187,757</u>	<u>187,757</u>

Subsidiary Undertakings

At 30 June 2023, Kings College held an investment in the following companies:	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
King's College Cambridge Enterprises Ltd	Ordinary	100%	United Kingdom	Provision of conference facilities
King's College Cambridge Developments Ltd	Ordinary	100%	United Kingdom	Provision of development facilities

15. TRADE AND OTHER RECEIVABLES

	Group 2023 £000	College 2023 £000	Group 2022 £000	College 2022 £000
Members of the College	84	84	74	74
Trade debtors	338	326	441	341
Amounts due from subsidiary companies	-	5,927	-	7,256
Other debtors	2,808	2,783	2,736	1,466
	<u>3,230</u>	<u>9,120</u>	<u>3,251</u>	<u>9,137</u>

Included in other debtors is £769,231 (2022: £Nil) that is due in more than one year.

Notes to the Financial Statements

16. CASH AND CASH EQUIVALENTS

	Group 2023 £000	College 2023 £000	Group 2022 £000	College 2022 £000
Bank deposits	78	78	75	75
Current accounts	2,970	412	7,701	4,921
Cash in hand	5	4	4	4
	<u>3,053</u>	<u>494</u>	<u>7,780</u>	<u>5,000</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £000	College 2023 £000	Group 2022 £000	College 2022 £000
Bank loan	205	205	205	205
Members of the College	185	185	140	140
Trade creditors	1,637	1,439	515	302
Accruals and deferred income	2,733	2,322	2,850	1,910
Social security, pension and taxes	185	185	251	251
University fees	71	71	1,795	1,795
Contribution to Colleges fund	95	95	91	91
Amounts due to subsidiary companies	-	100	-	888
Other creditors	3,534	3,380	2,657	2,264
	<u>8,645</u>	<u>7,982</u>	<u>8,504</u>	<u>7,846</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £000	College 2023 £000	Group 2022 £000	College 2022 £000
Project Tintagel loan	15,000	15,000	15,000	15,000
School bank loan	769	769	974	974
	<u>15,769</u>	<u>15,769</u>	<u>15,974</u>	<u>15,974</u>

In 2014 the College borrowed from institutional investors (Project Tintagel loan), collectively with other Colleges. The College's share was £15 million. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges.

In 2018 the College took out a bank loan of £2 million on behalf of the School to help fund the building of the Sports Centre. The loan is to be repaid over 10 years at a fixed interest rate of 2.99%. The balance falling due after more than one year at 30 June 2023 was £769,231.

Notes to the Financial Statements

19. PENSION PROVISIONS

	CCFPS £000	USS £000	Total 2023 £000	Total 2022 £000
Balance at beginning of year	(1,489)	(2,631)	(4,120)	(3,493)
Movement in year:				
Current service cost	-	-	-	-
Contributions paid by the College	28	-	28	39
Change in expected contribution	-		-	(1,403)
Finance cost	(85)	(87)	(172)	(80)
Actuarial gains recognised in statement of comprehensive income and expenditure	(370)	642	272	817
Balance at end of year	<u>(1,916)</u>	<u>(2,076)</u>	<u>(3,992)</u>	<u>(4,120)</u>

20. ENDOWMENTS

Group and College	Restricted Permanent Endowments 2023 £000	Unrestricted Permanent Endowments 2023 £000	Total 2023 £000	Total 2022 £000
Balance at beginning of year:				
Capital	38,699	65,535	104,234	107,964
New donations and endowments	127	-	127	121
Increase in market value of investments	1,416	2,165	3,581	(3,407)
Transfer from General Reserves	-	-	-	(444)
Balance at end of year	<u>40,242</u>	<u>67,700</u>	<u>107,942</u>	<u>104,234</u>
Analysis by type of purpose:				
Student support	26,409	-	26,409	25,415
Fellowship	5,405	-	5,405	5,209
Chapel and choir	4,016	-	4,016	3,783
Other funds	4,412	-	4,412	4,292
General endowments	-	67,700	67,700	65,535
	<u>40,242</u>	<u>67,700</u>	<u>107,942</u>	<u>104,234</u>

Notes to the Financial Statements

20. ENDOWMENTS (continued)

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Total 2023 £000	Total 2022 £000
Analysis by asset:				
Property	8,428	14,178	22,606	17,106
Investments	31,481	52,962	84,443	84,741
Cash	333	560	893	2,387
	<u>40,242</u>	<u>67,700</u>	<u>107,942</u>	<u>104,234</u>

21. RESTRICTED RESERVES

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2023 £000	Total 2022 £000
Group and College					
Balance at beginning of year	<u>350</u>	<u>9,413</u>	<u>48,984</u>	<u>58,747</u>	<u>63,838</u>
Comprising:					
Capital	-	-	48,984	48,984	49,033
Unspent income	<u>350</u>	<u>9,413</u>	-	<u>9,763</u>	<u>14,805</u>
Balance at beginning of year	350	9,413	48,984	58,747	63,838
New grants	1,930	-	-	1,930	14,820
New donations	-	685	2,149	2,834	5,228
Endowment return transferred	-	1,445	1,365	2,810	2,769
Other income	-	458	271	729	459
Increase/(decrease) in market value of investments	-	108	1,651	1,759	(1,486)
Expenditure	-	(1,888)	(3,222)	(5,110)	(4,409)
Capital grants utilised	(1,040)	-	-	(1,040)	(19,049)
Transfer	-	(69)	92	23	(3,423)
Balance at end of year	<u>1,240</u>	<u>10,152</u>	<u>51,290</u>	<u>62,682</u>	<u>58,747</u>
Comprising:					
Capital	-	-	51,290	51,290	48,984
Unspent income	<u>1,240</u>	<u>10,152</u>	-	<u>11,392</u>	<u>9,763</u>
Balance at end of year	<u>1,240</u>	<u>10,152</u>	<u>51,290</u>	<u>62,682</u>	<u>58,747</u>

Notes to the Financial Statements

21. RESTRICTED RESERVES (continued)

Analysis of other restricted funds/donations by type of purpose:	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2023 £000	Total 2022 £000
Student support	-	6,509	18,162	24,671	23,239
Fellowship	-	906	7,394	8,300	7,993
Chapel and choir	-	1,768	17,894	19,662	18,693
Buildings	1,240	-	2,958	4,198	3,211
Other funds	-	969	4,882	5,851	5,611
	<u>1,240</u>	<u>10,152</u>	<u>51,290</u>	<u>62,682</u>	<u>58,747</u>

22. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Memorandum of Unapplied Total Return	2023 £000	2022 £000
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Within reserves the following amounts represent the Unapplied Total Return of the College:

Unapplied total return at the beginning of year	107,033	113,005
Unapplied total return for the year (note 4b)	6,663	(5,972)
	<u>113,696</u>	<u>107,033</u>

23. RECONCILIATION AND ANALYSIS OF NET DEBT

	At 30 June 2022 £000	Cash Flows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2023 £000
Cash and cash equivalents	7,780	(4,727)	-	-	3,053
Borrowings: Amount falling due within one year:					
Secured loans	(205)	-	-	-	(205)
Borrowings: Amount falling due after more than one year:					
Secured loans	(15,974)	205	-	-	(15,769)
Total net debt	<u>(8,399)</u>	<u>(4,522)</u>	<u>-</u>	<u>-</u>	<u>(12,921)</u>

Notes to the Financial Statements

24. FINANCIAL INSTRUMENTS

	2023 £000	2022 £000
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments (note 14)	147,502	143,241
Other equity investments (note 14)	10,333	8,342
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents (note 14 and 16)	4,724	8,321
Other equity investments (note 14)	2,195	2,055
Other debtors (note 15)	-	-
Financial liabilities		
Financial liabilities measured at amortised cost		
Bank overdraft		
Loans (note 17 and 18)	15,974	16,179
Trade creditors (note 17)	1,637	515
Other creditors (note 17)	4,931	4,931

25. CAPITAL COMMITMENTS

Authorised future capital expenditure amounted to £3,064,000 at 30 June 2023 including works on Spalding, the Chapel and the Porters' Lodge (£11,167,500 at 30 June 2022). In addition, the College has committed to invest a further £555,000 in Private Equity funds.

26. FINANCIAL COMMITMENTS

At 30 June 2023 and 2022 the College had no annual commitments under non-cancellable operating leases.

27. PENSION SCHEMES

The College and its subsidiary undertakings participate in four defined benefit schemes and one defined contribution scheme.

The total pension cost for the year was as follows:

Notes to the Financial Statements

27. PENSION SCHEMES (continued)

	2023 £000	2022 £000
University Superannuation Scheme (includes FRS 102)	(47)	2,112
Cambridge Colleges' Federated Pension Scheme (includes FRS 102)	85	78
Teachers' Pension Scheme (King's College School in 2022)	-	491
Church of England Funded Pension Scheme	9	15
NOW: Pensions	252	219
	<hr/>	<hr/>
	299	2,915
	<hr/> <hr/>	<hr/> <hr/>

University Superannuation Scheme (USS)

The total cost charged to the statement of comprehensive income and expenditure is (£47k) (2021/22 £2,112k).

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI 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:

Notes to the Financial Statements

27. PENSION SCHEMES (continued)

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 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	3.20%	3.25%

Cambridge Colleges Federation Pension Scheme (CCFPS)

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

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

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

	2023	2022
	% p.a.	% p.a.
Discount rate	5.20	3.80
RPI assumption	3.40	3.45
CPI assumption	2.80	2.75

Notes to the Financial Statements

27. PENSION SCHEMES (CCFPS continued)

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

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_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% p.a, 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 commutation factors in these calculations.

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

	2023 £000	2022 £000
Present value of plan liabilities	(11,595)	(13,302)
Market value of plan assets	9,679	11,812
Net defined benefit asset/(liability)	<u>(1,916)</u>	<u>(1,490)</u>

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 £000	2022 £000
Current service cost & ongoing expenses	28	28
Interest on net defined benefit (asset)/liability	57	41
Total	<u>85</u>	<u>69</u>

Notes to the Financial Statements

27. PENSION SCHEMES (CCFPS continued)

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

	2023	2022
	£000	£000
Present value of plan liabilities at beginning of period	13,302	16,597
Current service cost (including Employee contributions)	-	-
Benefits paid	(583)	(529)
Interest on plan liabilities	494	294
Actuarial (gains)/losses	(1,618)	(3,060)
	<u>11,595</u>	<u>13,302</u>

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

	2023	2022
	£000	£000
Market value of plan assets at beginning of period	11,812	14,320
Contributions paid by the College	29	39
Employee contributions	-	-
Benefits paid	(619)	(561)
Interest on plan assets	437	253
Return on assets, less interest included in Profit & Loss	(1,980)	(2,239)
	<u>9,679</u>	<u>11,812</u>
Actual return on plan assets (including interest)	<u>(1,543)</u>	<u>(1,986)</u>

The major categories of plan assets as a percentage of total 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 remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023	2022
	£000	£000
Actual return less expected return on plan assets	(1,980)	(2,239)
Experience gains and losses arising on plan liabilities	(496)	(861)
Changes in assumptions underlying the present value of plan liabilities	2,106	3,917
	<u>(370)</u>	<u>817</u>
Actuarial (loss)/gain recognised in OCI	<u>(370)</u>	<u>817</u>

Notes to the Financial Statements

27. PENSION SCHEMES (CCFPS continued)

Movement in surplus/(deficit) during the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023	2022
	£000	£000
Surplus/(deficit) in plan at beginning of year	(1,490)	(2,277)
Recognised in Profit and Loss	(85)	(69)
Contributions paid by the College	29	39
Actuarial (loss)/gain recognised in OCI	(370)	817
	<hr/>	<hr/>
Surplus/(deficit) in plan at the end of the year	<u>(1,916)</u>	<u>(1,490)</u>

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 21 May 2021 and are as follows:

- Annual contributions of not less than £136,777 p.a. payable for the period to 30 June 2021 only.

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

Notes to the Financial Statements

27. PENSION SCHEMES (continued)

Church of England Funded Pensions Scheme (CEFPS)

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

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

- An average discount rate of 2.7% p.a.
- RPI inflation of 3.6% p.a. (and pension increases consistent with this).
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards.
- Increase in pensionable stipends in line with CPIH.
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a. and an allowance for 2020 data of 0% (i.e. $w_{2020} = 0\%$).

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

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Notes to the Financial Statements

27. PENSION SCHEMES (CEFPS continued)

	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022 £'000	2021 £'000
Balance sheet liability at 1 January	2	11
Deficit contribution paid	(1)	(3)
Interest cost	-	-
Remaining change to the balance sheet liability*	(1)	(6)
Balance sheet liability at 31 December	-	2

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

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

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

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

NOW: Pensions

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £252,000 (2021/22 £219,000).

28. CONTINGENT LIABILITIES

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

Notes to the Financial Statements

29. 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 Fellows' Remuneration Committee.

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

From	To	2023 Number	2022 Number
£0	£10,000	14	11
£10,001	£20,000	-	2
£20,001	£30,000	1	-
£30,001	£40,000	1	2
£40,001	£50,000	-	1
£50,001	£60,000	-	-
£60,001	£70,000	-	-
£70,001	£80,000	-	1
£80,001	£90,000	-	-
£90,001	£100,000	-	1
£100,001	£110,000	-	-
£110,001	£120,000	-	1
£120,001	£130,000	1	-
	Total	17	19

Notes to the Financial Statements

29. RELATED PARTY TRANSACTIONS (continued)

The total Trustee salaries were £212,568 for the year (2021/22 £263,085)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £47,037 for the year (2021/22 £58,747)

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

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

Accounts

KING'S COLLEGE

CAMBRIDGE



Annual Report & Accounts



Photo: Martin Bond

For the Financial Year 1st July 2021 to 30th June 2022

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Foundation



King's College was founded in 1441 by King Henry VI as "The King's College of Our Lady and Saint Nicholas, in Cambridge". His aim, recorded in our founding documents, was to establish a community of poor scholar clerks within the University of Cambridge. Since then, the College has worked to fulfil its responsibilities as a place of education, religion, learning and research and to play its part in advancing the University.

As both society and the academic world have changed, so the means we need to adopt to achieve this end have changed. We have endeavoured to maintain all that is valuable in our heritage and to grow and develop to meet new challenges. Those challenges have been especially acute during the past two years as we dealt with the COVID-19 pandemic.

In meeting those challenges, we have relied on the support and generosity of those who share our aspirations. Donors, starting with our Founder and continuing up to the present day, have enabled us to explore new ideas and find new ways to deliver our core purposes. The College remains deeply grateful to them.

The College also depends on its students, staff and Fellows. It is through selecting the most able applicants to study at the College, and by supporting them through their studies, that we maintain our academic health. Making that selection fairly and taking due account of the potential applicants show is very challenging, especially as the educational environment in the country changes. Nonetheless, it is crucial that we are successful in maintaining our academic standards. The Fellowship is responsible for the leadership for the College. The Provost and Fellows form the Governing Body and determine the College's role as a self-governing academic institution. Fellows teach and provide pastoral support to students; conduct research; and manage the administration of the College. Finally, the College community as a whole relies on the expertise and commitment of our staff. They serve the College well and enable us to work and thrive as a community.

These accounts set out the progress of the College over the financial year from 1st July 2021 to 30th June 2022. It aims to set out the purposes and aspirations of the College as well as recording our financial results. Those finances enable us to protect and enhance our key purposes in education, religion, learning and research.

THE GOVERNING BODY

Provost

Professor Michael Proctor

Fellows

Dr Zoe Adams
Dr Ronojoy Adhikari
Dr Tess Adkins
Dr Sebastian Ahnert
Dr Mark Ainslie
Dr David Al-Attar
Professor Anna Alexandrova
Professor John Arnold
Dr Nick Atkins
Professor Gareth Austin
Professor William Baker (to 30.09.2021)
Professor Michael Bate
Dr Alice Blackhurst (to 30.09.2021)
Dr Giulia Boitani (from 01.10.21)
Professor Richard Bourke
Dr Mirjana Bozic
Dr Angela Breitenbach
Professor Jude Browne
Professor Nick Bullock
Dr Katie Campbell
Professor Matei Candea
Dr Keith Carne (First Bursar)
Professor Richard Causton
Mr Nick Cavalla (to 01.01.2022)
The Rev'd Dr Stephen Cherry (Dean)
Dr Maurice Chiodo
Dr Alexandra Clarà Saracho (from 01.10.2021)
Professor Francesco Colucci
Dr Sarah Crisp
Dr Laura Davies
Professor Anne Davis
Professor Peter de Bolla
Dr James Dolan
Professor John Dunn
Professor George Efstathiou
Professor Bradley Epps
Professor Aytek Erdil
Dr Sebastian Eves-van den Akker
Professor Khaled Fahmy
Dr Elisa Faraglia
Professor James Fawcett
Professor Iain Fenlon
Dr John Filling (to 01.01.2022)
Dr Timothy Flack (Senior Tutor)
Dr Freddy Foks
Professor Robert Foley
Professor Matthew Gandy
Professor Chryssi Giannitsarou
Lord Tony Giddens
Professor Ingo Gildenhard
Professor Christopher Gilligan

Professor Simon Goldhill
Dr David Good
Dr Caroline Goodson
Professor Tim Griffin
Professor Gillian Griffiths
Professor Mark Gross
Professor Henning Grosse Ruse-Khan
Dr Aline Guillermet (to 30.09.2021)
Professor Cesare Hall
Professor Ross Harrison
Dr Katie Haworth (from 01.10.2021)
Ms Lorraine Headen
Professor John Henderson
Dr Felipe Hernandez
Dr Kate Herrity
Dr Ryan Heuser
Dr Myfanwy Hill
Dr David Hillman
Dr Stephen Hugh-Jones
Professor Dame Caroline Humphrey
Professor Herbert Huppert
Mr Reza Huseini (from 01.10.2021)
Dr Alice Hutchings
Mr Daniel Hyde
Professor Martin Hyland
Mr Philip Isaac (Domus Bursar)
Dr Malar Jayanth (from 01.10.2021)
Professor Mark Johnson
Mr Peter Jones (Fellow Librarian to 30.09.2021 & Vice-Provost's Deputy from 01.08.2021 to 31.12.2021)
Dr Jerelle Joseph
Professor Richard Jozsa (to 30.09.2021)
Dr Aileen Kelly
Professor Barry Keverne
Dr Philip Knox
Dr Patrycja Kozik (from 01.10.2021)
Dr Joanne Kusiak
Professor James Laidlaw
Professor Richard Lambert
Professor Charlie Loke
Professor Sarah Lummis
Professor Alan Macfarlane
Dr Marwa Mahmoud (to 30.09.2021)
Dr Cicely Marshall
Professor Nicholas Marston (Vice-Provost to 31.07.2021)
Professor Jean-Michel Massing
Dame Judith Mayhew Jonas
Dr Naomi McGovern

Professor Dan McKenzie
Dr Scott Melville (from 01.10.2021)
Professor Cam Middleton
Dr Jonah Miller
Dr Fraz Mir
Dr Perveez Mody
Professor Geoff Moggridge
Dr Kamiar Mohaddes
Dr Ken Moody
Dr Basim Musallam
Dr Rory O'Brien
Dr Julienne Obadia
Dr Rosanna Omitowoju
Professor Robin Osborne (Vice-Provost from 01.01.2022)
Dr Tejas Parasher
Professor John Perry
Dr Adriana Pesci
Professor Chris Prendergast (Fellow Librarian from 01.10.2021)
Dr Surabhi Ranganathan
Dr Ben Ravenhill
Professor Robert Rowthorn
Professor Paul Ryan
Professor Hamid Sabourian
Dr Mira Siegelberg (from 01.10.2021)
Professor Jason Sharman
Dr Mark Smith
Dr Michael Sonenscher
Dr Sharath Srinivasan
Professor Gareth Stedman Jones
Dr James Taylor
Mr James Trevithick
Professor Caroline van Eck
Professor Bert Vaux
Dr Jamie Vicary
Dr Rob Wallach
Professor Darin Weinberg
Professor Godela Weiss-Sussex
Dr Tom White
Professor John Young
Professor Nicolette Zeeman
Dr Edward Zychowicz-Coghill (to 01.01.2022)

Members in statu pupillary

Ms Eve James (to 31.07.21)
Mr Adam Motloch (to 31.12.21)
Mr Alex Provost (to 31.07.21)
Mr Nathan Roundy (to 30.11.21)
Ms Brenna Salkin (from 01.10.22 to 31.12.21)
Ms Michaela Kadlecova (from 01.01.22)
Ms Maddie Kelly (from 01.01.22)
Mr Tom Pugh (from 01.10.22)
Mr Sergio Russo (from 01.01.22)

COUNCIL, OFFICERS AND ADVISORS

Address

King's College
King's Parade
Cambridge CB2 1ST

Registered Charity Number

1139422

Charity Trustees (Members of Council)

The Provost
Dr Zoe Adams
Dr Mark Ainslie (to 31.12.21)
Dr Matei Candea
Dr James Dolan
Professor John Dunn
Professor George Efstathiou (from 01.01.2022)
Dr Tim Griffin
Professor Gillian Griffiths
Dr John Perry
Dr Alexandra Clara Saracho (from 01.01.22)
Professor Jason Sharman (to 31.12.21)
Dr Sharath Srinivasan

Members in statu pupillari

Ms Eve James (to 31.07.21)
Mr Adam Motloch (to 31.12.21)
Mr Alex Provost (to 31.07.21)
Mr Nathan Roundy (to 30.11.21)
Ms Brenna Salkin (from 01.10.22 to 31.12.21)
Ms Michaela Kadlecova (from 01.01.22)
Ms Maddie Kelly (from 01.01.22)
Mr Tom Pugh (from 01.10.21)
Mr Sergio Russo (from 01.01.22)

Senior Officers

Provost: Professor Michael Proctor
Vice Provost: Professor Nicholas Marston (to 31.07.21)
Vice Provost (Deputy): Mr Peter Jones from 01.08.2021 to 31.12.2021
Vice Provost: Professor Robin Osborne (from 01.01.22)
Senior Tutor: Dr Tim Flack
Dean of Chapel: Rev'd Dr Stephen Cherry
Director of Development: Ms Lorraine Headen
First Bursar: Dr Keith Carne
Domus Bursar: Mr Philip Isaac

President KCSU: Ms Eve James (to 30.09.21)
President KCGS: Mr Nathan Roundy (to 31.12.21)
President KCSU: Mr Tom Pugh (from 01.10.21)
President KCGS: Mr Sergio Russo (from 01.01.22)

PRINCIPAL PROFESSIONAL ADVISORS

Actuaries

Cartwright Consulting
Mill Pool House
Mill Lane
Godalming GU7 1EY

Auditors

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

Solicitors

Petersfield LLP
20 Station Road
Cambridge CB1 2JD

Barr Ellison
39 Parkside
Cambridge CB1 1PN

Property Managers and Valuers

Bidwells
Trumpington Road
Cambridge CB2 2LD

Savills
Unex House
132-134 Hills Road
Cambridge CB2 8PA

Investment Advisors/Managers

Cazenove Capital
31 Gresham Street
London EC2V 7QA

Bankers

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

Report of the Council

For both the College and the country, the year from 1st July 2021 to 30th June 2022 was marked by the recovery from the pandemic and the hopes of a return to normality. The disruption caused by the pandemic declined with fewer people being infected, at least in Great Britain. Within the College, that allowed us to return to in person teaching and more normal social interactions. It also led to a growing demand, as economies recovered, and that led to increased pressure on supply chains. That, in turn, caused inflation. The war in Ukraine led to a very rapid rise in fuel costs and inflation rose very markedly and remains high. So, although the disruptions caused by Covid-19 have largely ceased, new fears have arisen about the cost of living.

The pandemic had been very disruptive for the College and especially for our students. All of our normal operations needed to be adapted or replaced and many students found the enforced isolation very challenging. This year it has been possible to return to more normal patterns of teaching and examining. Moreover, the social events that bind the College community together have been possible once more. That has certainly helped but the scars of the pandemic remain and affect some of our students. The recovery has also led to greater pressure on staff. We had been able to keep our permanent staff employed throughout the pandemic but, with the recovery, some staff have left for other positions and it has been harder to recruit replacements. This has been particularly difficult in Housekeeping and Catering. The rising cost of living has also added to the pressure on staff. We have tried to address this by giving mid-year wage increases to the least well-paid staff and ensuring that all are above the Real Living Wage but the fears remain, especially with the expected fuel cost increases.

Although life has begun to return to normal, concerns remain and add to the pressure on students, staff and the College itself.

We did not believe that it would be possible, or prudent, to aim for a balanced budget for 2021-22 because of the exceptional circumstances and the value to us of maintaining our core operation. Instead, we set a budget that anticipated a gradual recovery of income and tried to keep expenditure as low as we reasonably could without causing lasting damage. The Governing Body therefore agreed a budget with a predicted deficit of £1.392 million. We were also very conscious that this budget was far less certain than it would be in normal times. The recovery has been mixed. The revenue from external catering recovered as quickly as we had hoped but the number of visitors and the income from them has not. Costs, especially for Tutorial supporting our students, were also higher than predicted. There was, however, one major and unexpected gain. After many years of not selling wine at auction, the Wine Steward sold some very valuable Burgundy that we had stored in the College cellars. That brought in £1.062 million. The net result was that we had a net deficit in our management accounts of £0.387 million, which is much better than predicted.

Plans for 2022-23

Unfortunately, the slower recovery, especially in visitor income, has again meant that we will set a deficit budget, predicting a deficit of £1.211 million. This is in a context of

a 5-year recovery plan that aims to break even in 2023-24 and then generate modest surpluses to repair past losses. The Governing Body acknowledged that this plan will not be easy to achieve because of the many external pressures but appreciates its importance and aims to meet it.

Within the College, Departments have managed well and responsibly, often in difficult circumstances. What we have not been able to control is the external pressures. The Government has frozen student fees leading to a decline in their real value. It also increased National Insurance costs for both employers and employees, although that is due to be reversed. Inflation will materially increase our costs with food costs, in particular, rising worryingly.

There is a particular concern over future energy costs. We are part of a consortium with other Colleges to purchase gas, electricity and water. We had made advanced purchases of energy that will protect us from the current increases for most of 2022-23. We are, however, very concerned about what will happen after that. All of our newer buildings are very energy efficient but the historic fabric will need a great deal of work to improve its efficiency. We have made strides in this direction with improved boilers and the refurbishment of the Keynes Building. Next year we plan to improve Spalding Hostel similarly. In the longer term, we will need to replace gas boilers with ground source heat pumps and to generate as much electricity as we can. Planning for this is underway but will take some considerable time and money. Photovoltaic panels were put on the Hall roof when that was replaced and we are trying to add generating capacity whenever we renovate buildings.



Education

The College provides, within the University of Cambridge, an education for around 750 undergraduate and graduate students that is recognised internationally as being of the highest standard. This education develops students academically and more broadly prepares them to play full and effective roles in society. The College aims to attract as undergraduate and graduate students such persons as are best fitted to take academic advantage from the education it offers, regardless of gender, sexual orientation or educational, social, ethnic, or personal background. It devotes a major part of its resources, both financial and personal, to the task of selecting students from the widest range of backgrounds as it can, and supporting them through their studies. All decisions as to membership of the College are made by the College.

The education of junior members reading for undergraduate degrees is overseen by the Senior Tutor. The academic studies of each undergraduate member of the College are overseen by a Director of Studies and Tutor. Directors of Studies are responsible for organising supervisions and other classes for each undergraduate reading for the specific Tripos examinations for which they are severally responsible. College teaching is designed to complement the lectures and other classes provided by the University. To supervise undergraduate students the College employs persons fitted by their learning to do so; these are normally Fellows of the College, Fellows of other Cambridge colleges, and those holding post-doctoral positions or reading for a graduate degree within the University. The Fellows of the College responsible for teaching junior members either hold University teaching and/or research posts or have been appointed to Fellowships on the basis of their distinction as teachers and/or researchers. The College appoints Tutors to oversee the educational progress and the general well-being of all undergraduate students studying the subjects for which they are severally responsible, and to represent their pupils, where necessary, in formal dealings with the University. In their care for the general welfare of the junior members of the College, the Tutors enjoy the assistance of the Lay Dean and the Chaplain, as well as other support services provided by the College Nurse, the Cognitive Behavioural Therapist and Mental Health Advisor.

The education of junior members reading for graduate degrees is chiefly the responsibility of Faculties and Departments, who appoint academic supervisors. The College receives reports from the academic supervisors and provides such academic and other support as the Senior Tutor and the Graduate Tutors consider appropriate. All graduate students enjoy the support of a Graduate Tutor, who as well as being there to provide pastoral support, also facilitates a rich academic and social environment through organising seminars and social events.

In terms of College governance, the Senior Tutor reports regularly to the Education Committee, the College Council and to the Governing Body on the academic performance of junior members of the College, as well as all matters relating to the provision of education, and student support which enables our students to take full advantage of everything King's, and the University, has to offer.

Most junior members of the College live in College accommodation. It is College policy that charges for accommodation should be comparable to those in other competitor universities. In order to facilitate access to undergraduate and graduate education regardless of financial circumstances, the College offers financial support on the basis of need. This is done through the Cambridge Bursary scheme and through our own hardship funds. In addition, research studentships, undergraduate scholarships, and prizes are awarded on the basis of academic excellence.

During academic year 2021/22 we saw a gradual return to normal in the wake of the pandemic and following the particularly difficult year in 2020/21. Students were able to mix freely, with minimal restrictions. They were also able to enjoy a range of social and other activities facilitated by the rejuvenation of King's and wider University societies. Formal Halls were re-established, albeit with reduced capacity. Teaching was carried out in person to a much greater extent than last year, although there were still limitations on group sizes in large-scale faculty lectures. College teaching was mostly carried out in-person. However, despite these improvements, there is no doubt that the impact of the pandemic will be felt for several years to come, and the need for a strong and supportive Tutorial system has never been greater. Nevertheless, there is great optimism that things are heading in the right direction and will continue to improve.

Religion

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

- Maintains and supports the Chapel as a place of religious worship and holds a variety of religious services during term, which are open to the general public and visitors.
- Maintains its choral tradition, which is integral to the provision of Divine Service in its Chapel, through the College's Choir. This choir includes both Choral Scholars, who are students, and Choristers, who are pupils of King's College School.
- Supports, through the College Dean and Chaplain, the emotional, mental and spiritual well-being of all members of the College community whatever their faith.
- Maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron of over 20 parishes.

The Founder's Statutes of 1443 require the College to provide for and conduct Divine Service in the College Chapel and to maintain a choir. The Choristers are members of the College and the College is responsible for their education and training. This tradition, established by Henry VI at the foundation of the College, has been continued ever since.

Learning

The Library and Archives gradually resumed normal operations during 2021-22. Study space that had been reduced for social distancing has begun to be returned to pre-pandemic levels. The archives has been open this year and numbers are rebounding to pre-pandemic levels.

The College Library is a first port of call for junior members of the College as a repository of books and information, and its archives, rare books and manuscripts provide a major resource for scholarship, both for members of the College and for scholars from outside the College. The number of loans for the year totalled 10,752 from the total stock accessible via the online catalogue of 122,662 books. Catalogue records from the Library are uploaded to the iDiscover Catalogue of the University Library and it is possible to access the catalogue directly from the College website.

During the year, 185 readers (73 of them new) made 364 visits to the archives and rare books reading room, 1,874 items were retrieved for visitors and 2,057 enquiries answered by email or post. Visitors to in-person exhibitions numbered 226. The Archivist is now the College's designated Freedom of Information Officer and the archivists responded to 48 enquiries within the framework of the Act; they also responded to 5 subject access requests under data protection legislation and drafted a data sharing agreement with King's College School. From October the Archivist also took responsibility for granting permission to publish (on-line or on paper) material for which the College owns copyright; 14 such requests were made and granted. The archivists also oversee the College's records management programme, which ensures that the College meets its statutory obligations and determines what information should be kept for the sake of future researchers, as well as for administrative requirements.

Research

The College provides an intellectual and social environment that fosters research at the highest level, and offers a fertile ground for interdisciplinary approaches. Each year, the College appoints a number of Research Fellows. In 2021/22 three stipendiary Research Fellows were elected; one, wholly funded by a donation to the College, to work on the history and cultures of the countries of the Silk Roads; one wholly funded by a donation to the College to work on the Economics of Inequality and one to work on Evolutionary Biology. A further non-stipendiary Research Fellowship was elected to work in the Physical Sciences and Technology.

The College also appoints as College Research Associates a number of post-doctoral researchers who have funding from other sources, with limited dining rights and a small research allowance, for two years (renewable). In 2020/21, the College appointed four College Research Associates in the Sciences together with three in the Arts. The College also renewed for a further two years two College Research Associates who had come to the end of their initial two-year term.

In addition, the College appoints non-stipendiary visiting Fellows nominated by Fellows and welcomes short-term visitors for academic research. Any Fellow may

apply for a small grant to support his or her research. The College runs international conferences, workshops and seminars annually, organised by Fellows of the College.

School

The College considers that the educational needs of the King's College Chapel Choristers are best served by being educated in a co-educational school that offers a broad and rich curriculum and experience, included within the larger foundation. The Choristers are full boarders at the School in order that they may take part in the routine of services in the Chapel and so they may be selected from the widest geographical pool. The College believes that the demands of the choral tradition should be balanced with a high quality education and co-curricular programme, within a co-educational setting.

King's College School provides an education for day pupils and boarders, aged 4 to 13. The excellence that describes the long-established choral tradition underpins how we approach all aspects of our provision. Working closely in support of the College's values, including the commitment to excellence, creativity, cultural diversity and inclusivity, our pupils are indeed very fortunate to be able to enjoy wonderful facilities and a stimulating and enriching curriculum.

The new Learning Hub has now been fully operational for a year, overseen by the Director of Student Learning. The Cresco Division, offering further enrichment opportunities for all pupils, sits alongside the choral training programmes for boys [The Chapel Choristers] and girls [*Schola Cantorum*].

Girls' boarding, first introduced in September 2020, continues to be very popular. Increasing numbers of boys and girls make use of the flexi boarding option.

Following the completion of the Sports and Cultural Centre in November 2018, we have been delighted to develop our outreach programme and pleased to welcome classes from a local primary school for their weekly PE lessons which are delivered as part of the remit of the Head of Sport Development.

Following the lifting of restrictions due to Covid-19, we are once again actively exploring possibilities for longer term partnerships with other schools in the local area and abroad, working in support of children's development in music as well as in literacy, numeracy, sport and STEM subject programmes.

The academic year 2021/2022 saw the gradual lifting of Covid restrictions that had previously made so many of the School's daily activities very challenging. It has been a reasonably straightforward year in terms of operations, examinations, school functions and inter-school fixtures

Throughout the summer we have once again been able to offer weekly holiday camps, some run by the school and some operated by an external organisation which hires our facilities. Over the Summer Holiday, work has been complete on the Platinum Jubilee Garden, a multipurpose outdoor space for whole school use at the centre of the school campus.

We have been delighted to celebrate the successes of so many of the Year 8 cohort in gaining entry to their senior schools, with 27 scholarship awards.

In addition to the Chorister Scholarships, and the awards for girls in the *Schola Cantorum*, the School offers a means-tested bursary for pupils applying from local primary schools at age 7. We continue to explore options for establishing a Bursary Fund, which we hope will ultimately be an investment of sufficient capital value to support more children in attending King's College School.

Buildings

The work to replace Croft Gardens with new accommodation for both graduate students and couples has now completed, creating Stephen Taylor Court. This is a very attractive set of buildings that has attracted a lot of interest and appreciation. While there are still a few minor snags to resolve, the architect, contractor and the entire design team have worked well and co-operatively. The buildings are all Passivhaus so their energy consumption will be very slight. The entire project was supported in full by a very generous donation.

During 2022-23 we will be undertaking work on Spalding Hostel and the Chapel roof. Spalding is a mixture of buildings ranging from the Middle Ages to the 19th Century. We plan to improve the rooms and facilities, making the Hostel more coherent. We also plan to improve the energy efficiency. Unfortunately, we have not been able to eliminate the use of gas entirely but we expect the gas boilers to only be required on a few days each year. The lead on the Chapel roof needs to be recast in order to protect the boards beneath. As part of this process, we would like to install photovoltaic



panels, which would generate a significant part of the electricity we use. At the moment, we await approval from Historic England for this work to be undertaken.

Development

- New funds raised in 2021/22 including pledges: £6,933,642
- Cash received in 2021/22: £20,443,984
- Number of alumni: 9,845
- Number of addressable alumni: 8,803
- Number of alumni who made a gift: 1,013
- Participation rate: 11.5%
- Number of alumni and development events in FY (including digital events): 30
- Total number of attendees at these events: 2,250
- Volunteers: 73
- Social Media following
 - o King's College Twitter: 13,200 Followers (9% increase)
 - o King's College Facebook: 15,542 Followers (8% increase)
 - o King's College Instagram: 12,800 Followers (16.3% increase)
 - o King's College Choir Twitter: 13,100 Followers (7.3% increase)
 - o King's College Choir Facebook: 139,000 Followers (5.3% increase)
 - o King's College Choir Instagram: 26,900 Followers (37.9% increase)

To align with the Collegiate University's Campaign, we take 2011/12 as the start of the silent phase of our fundraising campaign. We launched the public phase of the King's Campaign on 1 December 2018 with a target of £100 million. From 1 July 2021 to 30 June 2022, we raised a total of £6,933,642 in new philanthropic gifts and received cash in of £20,443,984: which gives a campaign running total of £82,495,384.

The enormous commitment and generosity of our alumni and friends continues to make a very real difference to all aspects of the College. Despite the huge challenges caused by the pandemic over of the last financial year, new gifts and pledges of almost £7 million brought our running total of the King's Campaign to £82.5 million. We owe a huge debt of gratitude to all of our donors for their continued investment in the future of this very special College.

The new *Passivhaus* buildings at Croft Gardens have been completed ahead of the new Michaelmas Term 2023, creating 84 new homes for graduates, Fellows and their families, set in beautiful gardens with first-class facilities. This is an important moment. For the first time in the College's history, we can offer accommodation to any King's student who wishes to live in. The site has been named 'Stephen Taylor Court'. The rental income from this new accommodation combined with that on Cranmer Road will generate significant funds annually towards our student support and access initiatives (SASI).

Entrepreneurship and innovation are areas that have inspired substantial donations. Established with a donation, the King's Entrepreneurship Lab (the E-Lab) is the first of any College and was officially launched in September 2021. It places emphasis on developing sustainable and ethical projects with a positive social and environmental impact. Its aim is to provide new extracurricular opportunities to our students; to help them make the most of their ideas and inventions and offer early support towards potential commercialisation beyond completing their studies; and to teach and encourage entrepreneurial thinking which they can use in whatever career path they choose to follow.

The growth in the number of students attending the E-Lab activities in person and online has been extraordinary and resources were quickly stretched. We were therefore delighted to receive a generous gift from Lord David Sainsbury (KC 1959, Natural Sciences) and the Gatsby Charitable Foundation to help expand the activities of the E-Lab over the next ten years. A Research Fellowship has been created to explore the sociological, psychological and economic dimensions of entrepreneurship as a field of study, and the Entrepreneur-in-Residence scheme has been enhanced to offer students mentoring and informal business advice throughout the year. To complement this, a donor has established the Entrepreneur-in-Residence MPhil Studentship Programme.

King's continues to be a popular choice for graduate students. The College received 550 postgraduate applications for College membership from September 2020 to March 2021, along with 53 applications from King's members to continue their studies at postgraduate level. Consequently new donations of over £100k to support graduate students were put into immediate use. This year the Tutorial Office was able to fully or partly fund 90 studentships through King's own funds. One of our top priorities is to try to secure permanently endowed funds for future generations of postgraduates, as many of the recent funds raised are short-term or expendable.

As part of the celebrations of *50 Years of Women at King's* starting in late September 2022, we commissioned portraits of Life Fellow Professor Dame Caroline (Carrie) Humphrey and Judith Weir (KC 1973, Music). The commissions have been made possible respectively thanks to a legacy gift and a donation by a Fellow Benefactor. We hosted an event in April with Carrie and the artist, Anne Rothenstein, where the painting was 'unveiled'. The portrait of Judith will be completed in 2023.

The Chapel has benefitted from a generous bequest from the estate of Maurice Burnett (KC 1941, History) who had great affection for both the College and the Chapel and made friendships here which endured throughout his life.

The Telephone Fundraising Campaign (TFC) was held in January and raised £138,000 to support students facing financial hardship, and to help expand the mental health resources we can offer. Most of these gifts are regular, long-term commitments that provide a steady quantifiable cash flow to the College of vital student support.

Announced on the anniversary of Alan Turing's birth, a gift in support of a College Teaching Officer (CTO) in Computer Science has created the Enactor-Turing Fellow and CTO for 5 years and adds to The Alan Turing Programme at King's.

We were pleased to host in-person events again from June 2021 onwards, and as rules and restrictions eased, more alumni returned to the College. We hosted around 30 events in total over the year, including digital events, and had 2,250 guests attend. Digital and hybrid events will continue to feature in our events programme so that as many people as possible can attend.

After two years without travel, we were delighted to have the opportunity at the end of May to fly to the USA and Canada to meet alumni and friends in New York, Los Angeles, San Francisco, Minnesota, Ottawa and Nova Scotia. It was a pleasure to meet some people for the first time, to catch up with old friends and to thank in person those who have been so generous over the years in supporting the Campaign.

The Communications team continues to produce regular electronic newsletters for staff, students, and Fellows, and separately for alumni; the King's Parade; Annual Report; Philanthropy Report; the King's calendar and celebration cards, as well as dealing with press enquiries, writing and co-ordinating press stories and donor reports, updating the website and social media channels. A special issue of King's Parade magazine was produced over the summer 2022 focusing on the 50th anniversary of the admission of women to the College in 1972. The team have supported a number of College-wide projects including the promotion of the updated Spurling Report on gendered experiences, and the management of the Undergraduate Summer Research Programme, now in its second year.

Our thanks as ever go to the Provost and Fellowship for their support; to the Archivists for producing fascinating exhibitions for events and special visitors, and to the staff for their work behind the scenes. Special thanks to Dr Keith Carne for his impeccable help, support and advice over the many years and we wish him a happy and productive retirement as he steps down as First Bursar in September 2022. Dr Tim Flack has been inspirational as Senior Tutor and we thank him for his support over the years as he hands over to Dr Myfanwy Hill in September 2022.

In recognition of outstanding philanthropy and support for the College, we are delighted to have elected two new Fellow Commoners. We thank them for their generosity. We also thank all those alumni and friends who have given their time,

advice, support and help in so many ways; we had 73 volunteers this year. Special thanks go to the members of the Campaign Advisory Board; the Entrepreneurship Competition Judging Panel; the Senior Advisory Board of the Entrepreneurship Lab; and to those on the Investment Committee.

The College has registered with the Fundraising Regulator. No complaints about its fundraising activities were received.

Structure, Governance and Management

King's College (formally "The King's College of Our Lady and St Nicholas in Cambridge") was founded in 1441 as one of the constituent colleges of Cambridge University. It endorses the University's aims and endeavours to work with the University and other Colleges to further those aims. So, its principal aims are to support education, religion, learning and research. The College is a charitable corporate body established by Royal Charter with perpetual status and recognised under Common Law. It is also registered as a charity, number 1139422.

The College is governed in accordance with statutes, approved by Order of Her Majesty in Council. The statutes of the University of Cambridge and specific legislation covering the University of Cambridge apply to the College. The Visitor of the College is the Bishop of Lincoln.

The College is governed by the Provost and the Fellows of the College who, together with four resident members of the College *in statu pupillari*, constitute the College's Governing Body. The Provost is responsible for 'general superintendence over the affairs of the College' and presides over congregations of the Governing Body. The administration of the College is devolved to the College Council, and reported to the Governing Body. There are also further committees provided for by statute and ordinance or established from time to time by the Governing Body or the Council.

Corporate Governance

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

1. The College is a registered charity (registered number 1139422) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
2. Council reports to the Governing Body, which consists of the Provost, the Fellows and four student members. The Council and the Governing Body are advised and supported by a number of committees: the Adornment Committee, Audit and Scrutiny Committee, Buildings and Safety Committee, Catering Committee, Chapel Committee, Charities Committee, Choirs Committee, Church Patronage Committee, Communications Committee, Concerts Committee, Development Committee, Disciplinary Committee, Education

Committee, Fellows' Remuneration Committee, Fellowship Committee, Finance Committee, Gardens Committee, Grievance Committee, Human Resources Committee, Investment Committee, IT Committee, Library Committee, Research Committee, Studentship Electors Committee, Sustainability Committee, Visitors' Committee, Wine Committee.

3. The Governing Body appoints the Finance Committee and the Audit and Scrutiny Committee. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls. The Finance Committee reports to Council, which proposes budgetary and financial controls to the Governing Body. The Governing Body appoints the Audit and Scrutiny Committee to act as internal auditors. It advises on the appointment of external auditors; considers reports from those auditors; monitors the implementation of recommendations; and make an annual report to the Council and the Governing Body.
4. There is a Register of Interests of all members of the Governing Body. The College maintains a Conflicts of Interest Policy and systematically requires declarations of interest at all meetings of College committees.

Statement of Internal Control

1. The Council is 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 the College's Statutes.
2. 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.
3. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2022 and up to the date of approval of the financial statements.

Risk Assessment

King's College has a statutory duty to support education, religion, learning and research. In pursuit of this duty, it is prepared to accept risks. For example, the process of selecting students, and engaging in research will always entail risks but these are risks we must undertake. It also accepts that it needs to take investment risks in order to achieve the return required for its continuing operation. The College will attempt to minimise all risks that are not essential for its core purposes. In particular, it will attempt to minimise the overall risk of safety to members of the College and the public; of financial loss due to inappropriate financial controls; and of reputational damage.

Each year the College's Finance Committee and Council assess the risks the College faces and the steps that we can take to mitigate those risks. In the financial year 2021/22, as in 2020/21, our main concern has been the pandemic. We have worked with staff and students within the College to try to keep all safe and to support those in need. We have also worked with the University to operate in a safe and consistent manner and to ensure that all Colleges and Departments survive these challenges. Within the College, our greatest risk is balancing the immediate needs with our responsibilities to future generations. The Governing Body considers that the current, exceptional circumstances require us to spend more than our income for a brief period so that we protect the College and do not cause irremediable harm to our structure and purposes. Nonetheless we require a clear plan to restore our finances and sustain normal operation. We will still ensure that funds are spent appropriately and that we move rapidly back to a balanced budget where we can rebuild our endowment. We aim to do that while minimising the pain caused to our students and staff.

Because of the uncertainty surrounding the pandemic and how it will affect the College and the country, we have continued to model a variety of scenarios and considered how we would need to react to them. We have done that in conjunction with the University and other Colleges. We plan to continue to do this as a protection against the risks we face. Since the end of the Financial Year, the war in Ukraine has led to high inflation. This has been augmented by economic concerns over supply chains and the management of the country's finances. These add to the risks which the College needs to consider and deal with.

Of particular concern to the College and its School are the risks to children and vulnerable adults. Our policies on safeguarding are designed to ensure that appropriate care is taken to protect them.

Council considers that it is exercising appropriate management of its activities and the associated risks.

Financial Review

Scope and Accounting Policy

The consolidated financial statements incorporate all of the activities of the College including those of the School, the trading activities of King's College Cambridge Enterprises Limited and KCS Facilities Limited, and the renovation and construction activities undertaken by King's College Cambridge Developments Limited. Together, these entities comprise the Group. References to the College in the Financial Review below refer to the results of the Group.

The accounts are prepared to show a true and fair view. The College brought in a new form of accounts in 2015/16 because of the adoption of Financial Reporting Standard 102. This change affected all Higher Education organisations including Cambridge Colleges. On page 39, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £17,482k (£34,014k surplus in 2020/21). The SOCIE is a statement of all movements of the net assets of the College between one year and the next. Therefore, it reports all operating income and expenditure, investment gains and losses, and adjustments for pensions and other matters. The large surplus in the year is due to capital donations received in the year and the increase in the value of our operational buildings following a revaluation that was carried out at 30 June 2022. The boxed section on page 39 is, in effect, the operating result as reported for the year and it is this figure that the College seeks to control through its budget although the management accounts do not include the pension provision and unrestricted donations. The College reported a deficit of £1,814k for 2021/22 compared to a deficit of £1,890k for 2020/21. The deficit in 2021/22 includes a £1,400k increase in the USS pension provision that is partly offset by a £1 million one-off sale of investment wine stock. Excluding these items, the 2021/22 deficit is £1,412k and is due to the impact of the COVID-19 pandemic in the year. The accumulated deficits due to Covid in the last three years amounts to around £4 million and there is a budgeted deficit of £1.2 million for 2022/23. Five-year projections indicate that the College finances will move towards a breakeven position from 2023/24 on the assumption that conference and tourist income will return to pre-pandemic levels. The five-year strategic plan is regularly updated and the cost of living crisis is likely to put further pressure on the College finances.

Income

The College funds its activities from academic fees, charges for student residences and catering, the income from its conference and catering business, visitors, its invested endowments, and from donations and legacies. The future funding of universities remains uncertain with the Government yet to explain its intentions over research funding or student fees. Moreover, we remain concerned about the need to support applications from a wide variety of backgrounds and support for those who are admitted to study here. King's College is proud of its ability to attract applicants and we provide good support, financial and pastoral, to those students. Nonetheless, this is an area that requires new and imaginative ways to ensure that we sustain the quality of our students and give them the opportunity to thrive. Already, a large proportion of

our expenditure is devoted to that end and this amount is likely to increase further as we explore more effective and appropriate ways to fulfil our aims. This is also an area where the College has received very generous donations and continues to do so, allowing us to be imaginative in exploring different approaches.

The great majority of our expenditure is to support education and research. The cost of education, for both undergraduates and graduates, exceeds the income we receive from fees. In common with other Colleges, we assess each year the full cost of education to compare this with the fee income. For the academic year 2021/22, the cost of undergraduate education for the College was £14,357 per student compared to average College fees of £4,625. The cost of a graduate education for the College was £11,964 per student compared to average fees of £4,500. In both cases, the costs falling to the University are excluded.

The College continues to try and increase income. Academic fee income was up overall by 8.7% due to a 41.2% increase in graduate fee income and a 2.9% increase in overseas undergraduate income that was partly offset by a 2% decrease from Undergraduate fee income. Home undergraduate numbers fell by 8 from 386 to 378 students and the privately funded and overseas undergraduate numbers decreased from 58 to 56. There was a significant increase in Graduate numbers that were up by 48 due to the improvement in the pandemic (from 169 to 217). In addition, the graduate fee and the fee for privately funded and overseas undergraduates increased 10% and 4% respectively. The fee for Home undergraduates was unchanged. Other Academic and Research Income increased 15.7% in 2021/22 due to an increase in the receipts from the University in respect of the Cambridge Bursary Scheme.

College Members' Accommodation income was heavily impacted by the pandemic in 2020/21 but up 72.2% in 2021/22 as occupancy levels moved closer to pre-pandemic levels and we brought in 59 new student rooms from the Cranmer Road development. Third Party business practically ceased in 2020/21 due to Covid-19 and was up 278% to £173k in 2021/22. This however is still well short of the £450k-£500k pre-pandemic level of business. Third Party Catering was up from £16k in 2020/21 to £1,728k but this includes £1,061k from an investment wine auction sales during the year. Even if this is excluded, private dining levels did improve significantly in 2021/22 to £667k. This was still down on the £1.2m pre-pandemic levels and business could have been higher had there not been the problem of recruiting and holding permanent and casual catering staff. It is a nationwide issue that will continue to have a negative impact on our Third Party catering business in the near future. College Members' Catering (including internal sales) was up 124% to £1,607k and this is only slightly down on pre-pandemic levels. Overall income from Residences, Catering and Conferences was up 155%, a £4,054k increase on 2020/21 that includes the investment wine stock sale.

Investment Income increased 2.5% in 2021/22. This included a 0.6% increase in the spending rule income that came about from an increased value of investments at 30 June 2021. The spending rule income is calculated at 3.35% of the average endowment value for the previous five years (30 June 2017, 30 June 2018, 30 June 2019, 30 June 2020 and 30 June 2021). Royalty income was up 91% (£176k) on 2020/21 due to large fees received in 2020/21 in respect of E.M. Forster rights for *A Room with a View* and *Maurice*. In 2013/14 the College borrowed £15 million for periods of 30 to 40 years

(see Note 18). This has been invested in the College Amalgamated Investment Fund and at 30 June 2022 the net assets, after interest payments, amount to £16.74 million (£17.39 million at 30 June 2021).

Tourist Admissions income rose by 590k (499%) in 2021/22 and the Visitor Centre sales were up £218k (402%). However, the impact of the Omicron covid variant led to sales coming in below budget for the year and still only around 40-50% of pre-pandemic levels. Other Income for 2020/21 includes £64k from the HMRC's Job Retention Scheme for staff furloughed (£744k in 2020/21). Chapel and Choir income including recording royalties was up 39% (£79k) in 2021/22. There was also a welcome return of Chapel concerts in Easter 2022 following a two year lay-off due to Covid.

Expenditure

The College tries to maintain the real value of its endowment and to this end, the Investment Committee is asked to assess the expected real rate of return on our investments so we know what is available to spend. Their current assessment is that we can spend 3.35% of the endowment. This is averaged over five years to reduce variation. This amounted to £6.16 million in 2021/22 (£6.12 million in 2020/21). Endowment income from the spending rule represents a significant part of our overall expenditure of £23.4 million. The Investment Committee will consider the spending rule again, in the light of growing concern about investment prospects.

In this year, costs as a whole increased by 22.7% but there was a £1.4 million USS pension provision in 2021/22. Adjusting for this, expenditure rose by 16.7% in the year. This is largely due to the increased activity following the pandemic. Staff costs increased by 16.6% in the year but after adjusting for the USS pension provision, staff costs rose by 5.0%. This can be broken down between a 7.5% increase in College wages and a 1.0% increase in School wages. These salary figures exclude the income from the Job Retention Scheme that was received for furloughed staff in the year. This totalled £64k for the College (£744k in 2020/21) and zero for the School (£93k in 2020/21). College operating expenditure (excluding the School) rose by 36.3% in the year compared to 2020/21 as operation levels increased.

Capital expenditure, particularly on buildings, varies dramatically from year to year. This makes it challenging to account for such expenditure and to plan it effectively. We try to do this by setting a depreciation charge in our annual accounts that reflects the average real amount we expect to spend. We also prepare a building plan for the next decade to guide our preparation and delivery of major projects. The total depreciation (excluding the School) was £3,493,606 for the year (£2,981,083 in 2020/21). The increase is due to the significant capital expenditure on new and recently refurbished accommodation last year. The College undertook a revaluation of all its operational buildings at 30 June 2022. This will impact the depreciation charge for the 2022/23 accounts and early indications is that it will fall by around £150k. This is still close to the expected average annual spend over the next decade. The depreciation charge should reflect the costs that we expect to face in renovating our existing buildings.

Net Financial Performance

As in previous years, the College has continued to support its net spending on education (total education expenditure less College fee income) of £5,249,005 (£3,786,753 in 2020/21) with its investment income. In addition, the net cost of accommodation decreased in 2021/22 to £2,406,245 (£3,252,363 in 2019/20) as a student rents and external accommodation income increased following the pandemic. There was a net surplus on catering in 2021/22 of £315,681 (£1,484,021 deficit in 2020/21) due to higher sales and the £1,061k sale of investment wine stock.

The School recorded a surplus of £249,006 for 2021/22 (£98,154 in 2020/21). In addition, the College provided funds for choristership bursaries and bank interest of £401,567 (£388,740 in 2020/21) and the School paid £355,191 in rent back to the College (£339,840 in 2020/21). A total of £275,976 has been transferred to the funds designated for the School within the College reserves (£128,238 in 2020/21).

Capital Expenditure

During the year, capital expenditure including heritage assets was £20,383,010 (£19,096,733 in 2020/21). This includes £19,800,844 for maintenance projects, £130,037 for the School, £301,188 on the chapel including the start of the chapel roof project, £72,371 for catering, gardens and shop expenditure and £78,570 for IT. The College maintenance projects includes £219,319 and £350,400 towards the completion of the Cranmer Road and Wilkins Hall roof projects respectively, £481,117 towards the new Spalding refurbishment project, £13,280,004 towards the Croft Gardens new-build project and £4,849,743 towards the Keynes refurbishment. The School's capital expenditure includes £61,709 on IT and equipment and £60,081 on fire panels and the Briggs lawn.

Investments

Last year the major stock markets rose sharply and our investments rose correspondingly, ending 19.3% higher. During 2021-22 markets fell back and Sterling declined against the dollar and other currencies. In addition, the College withdrew £7.3 million from the endowment over the year for building projects. Adjusting for this our investments fell 0.5% in the year. We remain fully invested across all of the major, international markets.

Most of our retail tenants are recovering after the trials of the pandemic. That has led to a modest increase in the valuation of these properties. It is pleasing that the support the College gave ensured that all of our independent retailers survived and continue to trade.

Going Concern

The global health crisis caused by COVID-19 had a significant impact on all businesses and the recovery is not yet complete. In particular, the number of visitors to Cambridge and the College remains low and this has reduced our income significantly. There are, however, some signs of recovery. The economic difficulties caused by Brexit, the war in Ukraine, and financial concerns within the country have also increased inflation. This adds to the pressure both our students and staff face and requires further resources from the College.

The Trustees have prepared forecasts for the period to 2025 and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

Restricted Funds

The spending rules of the permanent restricted funds are contained in each fund's terms as stipulated by the donor. The College aims to spend all income arising in such funds, if the rules permit, and to retain the capital. In 2021/22, all but £320,260 (£304,218 in 2020/21) of the income arising in permanent restricted funds was spent in the year.

The spending rules of the expendable restricted funds are contained in each fund's terms as stipulated by the donor. The College aims to spend all income arising in such funds, if the rules permit, and the College may spend capital from a fund providing it fully satisfies the wishes of the donor.

Reserves

Designated funds are not permitted under the new RCCA guidelines and therefore have been transferred to General reserves. Included within General reserves, the College has designated the ongoing reserves of the School as a separate fund to reflect the responsibility given to the School Governors by the College. In total the College has £259,546,000 in unrestricted reserves, of which £248,617,000 is represented by tangible fixed assets and heritage assets. This results in a free reserve position of £10,929,000.

Dr I Collister

First Bursar on behalf of the Trustees

8th November, 2022

Statement of the Responsibilities of the Council and Governing Body

The Council in conjunction with the Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require that financial statements are prepared 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 those financial statements the Council in conjunction with the Governing Body is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Council in conjunction with the Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and to 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 Council in conjunction with the Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report to the Council and Governing Body of King's College

Opinion

We have audited the financial statements of King's College (the 'College') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Council and Governing Body

As explained more fully in the responsibilities of the Council and Governing Body statement set out on page 24, the Council and Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council and Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the [Financial Reporting Council's website](#). This description forms part of our auditors' report.

Use of our report

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

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 8th November 2022

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

Statement of Principal Accounting Policies

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 10.

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

GOING CONCERN

The global health crisis caused by COVID-19 had a significant impact on all businesses and the recovery is not yet complete. In particular, the number of visitors to Cambridge and the College remains low and this has reduced our income significantly. There are, however, some signs of recovery. The economic difficulties caused by Brexit, the war in Ukraine, and financial concerns within the Country have also increased inflation. This adds to the pressure both our students and staff face and requires further resources from the College.

The Trustees have prepared forecasts for the period to 2025 and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

BASIS OF ACCOUNTING

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

BASIS OF CONSOLIDATION

The financial statements incorporate those of the College, which includes the School, and the College's subsidiaries, King's College Cambridge Developments Limited, King's College Cambridge Enterprises Limited and KCS Facilities Limited.

The accounts do not include the activities of the King's College Student Union and King's College Graduate Society, on the basis that the College does not have control over the operations of these entities.

RECOGNITION OF INCOME AND INVESTMENT RETURN

Academic fees

Academic fees are recognised in the period to which they relate and include 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 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 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 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 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 College operates a total return policy with regard to its endowment assets (including property). Spendable income equivalent to 3.35% of the average endowment for the last five years is included as endowment income and investment management costs are charged against capital.

Other income

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

Cambridge Bursary Scheme

The Cambridge Bursary Scheme (CBS) administration has changed from 2016/17;

- The Student Loan Company (SLC) assesses the students for CBS eligibility.
- The SLC pays the student direct for the CBS payment and then takes the money from the College by direct debit.
- At the end of term, the University provides the College with a list of students and a breakdown of the University and College contributions.

The College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges."

The net payment of £154k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£247k
Expenditure	£401k

Foreign currency translation

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

PENSION SCHEMES

The College pays contributions to four pension schemes which provide benefits to its members based on final pensionable salary and one defined contribution pension scheme. The assets of these schemes are held separately from those of the College.

Universities Superannuation Scheme

The College participates in Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the

mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the recovery plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised through the Statement of Comprehensive Income and Expenditure.

Cambridge Colleges Federated Pension Scheme

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

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date for accounting purposes. The assets of the Scheme are measured at fair value, and liabilities are estimated on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond. The resulting net asset or liability is presented separately after total assets less current liabilities on the face of the balance sheet.

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme which is a statutory, contributory, final-salary scheme. The College is unable to identify its share of the underlying assets and liabilities.

Church of England Funded Pensions Scheme

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

NOW: Pensions

The College also operates a defined contribution scheme NOW: Pensions. This is a UK multi-employer pension fund and the pension charge represents the amounts payable by the College to the fund in respect of the year.

FIXED ASSETS

a. Land and buildings

College land and buildings used for operational purposes (to house College Members) are stated at depreciated replacement cost at the 30 June 2022 following a revaluation review carried out by professional valuers, Gerald Eve. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives with a range for the different buildings (excluding the Chapel) between 45 years to 115 years. The Chapel is depreciated over 200 years. Freehold land is not shown separately and is not depreciated. Assets 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.

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.

b. Maintenance of premises

The cost of major refurbishment is capitalised and depreciated over the expected useful economic life. The cost of routine maintenance under £10,000 is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

c. Plant, furniture, fittings and equipment

Plant, furniture, fittings and equipment are capitalised at cost. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets, which are as follows:

Plant	20 years
Furniture and equipment	10 years
Computer equipment	5 years

d. Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1st July 2006 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1st July 2006 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

INVESTMENTS

a. Securities

Securities listed on a recognised stock exchange are shown at their market value, i.e. the middle market quotation ruling at the close of business on 30 June, translated for overseas investments into sterling at the rates of exchange ruling at that date. Unlisted securities are shown at the Governing Body's estimate of fair value.

Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included as earned. Interest purchased or sold as part of the price for investments is treated as capital rather than being brought into the statement of comprehensive income and expenditure.

b. Properties

The College takes advice from its agents each year on the value of its properties and carries out a full valuation periodically.

c. Other investments

Shared equity housing interests are stated at cost. Royalties are held at valuation and are valued periodically by independent valuers.

STOCKS

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

PROVISIONS

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

CONTINGENT LIABILITIES AND ASSETS

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

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

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

FINANCIAL INSTRUMENTS

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

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

FINANCIAL ASSETS

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

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 and Expenditure. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

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

FINANCIAL LIABILITIES

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

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

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income and Expenditure 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.

EMPLOYMENT BENEFITS

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

RESERVES

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

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

TAXATION

The College is a registered charity (number 1139422) 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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 12.

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

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

Retirement benefit obligations – The cost of defined benefit pension plans 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 27.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. 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 27.

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

Statement of Comprehensive Income and Expenditure

Year ended 30 June 2022

	Note	Unrestricted £000	Restricted £000	Endowment £000	Total 2022 £000	Unrestricted £000	Restricted £000	Endowment £000	Total 2021 £000
INCOME									
Academic fees and charges	1	3,305	248	-	3,553	3,049	203	-	3,252
Accommodation, catering and conferences	2	6,044	-	-	6,044	2,460	-	-	2,460
School	3	6,855	-	-	6,855	6,009	-	-	6,009
Investment income	4	401	212	4,529	5,142	242	246	4,071	4,559
Endowment return transferred	4	3,393	2,770	(6,163)	-	3,507	2,617	(6,124)	-
Other income	5	1,479	-	-	1,479	1,182	-	-	1,182
Total income before donations and endowments		21,477	3,230	(1,634)	23,073	16,449	3,066	(2,053)	17,462
Donations		175	533	-	708	179	1,418	-	1,597
New endowments		-	4,787	121	4,908	-	1,734	91	1,825
Capital donations for assets		-	14,820	-	14,820	-	5,011	-	5,011
Total Income		21,652	23,370	(1,513)	43,509	16,628	11,229	(1,962)	25,895
EXPENDITURE									
Education	6	5,497	3,308	-	8,805	3,991	3,050	-	7,041
Accommodation, catering and conferences	7	8,062	70	-	8,132	7,127	66	-	7,193
School	8	6,230	-	-	6,230	5,921	-	-	5,921
Other expenditure	9	3,586	1,123	774	5,483	1,378	1,046	715	3,139
Contribution under Statute G,II		91	-	-	91	101	-	-	101
Total expenditure		23,466	4,501	774	28,741	18,518	4,162	715	23,395
(Deficit)/surplus before other gains and losses		(1,814)	18,869	(2,287)	14,768	(1,890)	7,067	(2,677)	2,500
Gain/(loss) on investments		(991)	(1,485)	(999)	(3,475)	9,889	5,230	14,759	29,878
Surplus/(deficit) for the year		(2,805)	17,384	(3,286)	11,293	7,999	12,297	12,082	32,378
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		5,374	-	-	5,374	-	-	-	-
Actuarial gain/(loss) in respect of pension schemes		815	-	-	815	1,636	-	-	1,636
Total comprehensive income for year		3,384	17,384	(3,286)	17,482	9,635	12,297	12,082	34,014

The notes on pages 43 to 64 form part of these accounts.

Statement of Changes in Reserves

Year ended 30 June 2022

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2021	233,243	63,838	107,964	405,045
Surplus from income and expenditure statement	(2,805)	17,384	(3,286)	11,293
Other comprehensive income	6,189	-	-	6,189
Transfer in year	3,870	(3,426)	(444)	-
Release of restricted capital funds spent in the year	19,049	(19,049)	-	-
Balance at 30 June 2022	<u>259,546</u>	<u>58,747</u>	<u>104,234</u>	<u>422,527</u>

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2020	210,527	64,573	95,931	371,031
Surplus from income and expenditure statement	7,999	12,297	12,082	32,378
Other comprehensive income	1,636	-	-	1,636
Transfer in year	-	49	(49)	-
Release of restricted capital funds spent in the year	13,081	(13,081)	-	-
Balance at 30 June 2021	<u>233,243</u>	<u>63,838</u>	<u>107,964</u>	<u>405,045</u>

The notes on pages 43 to 64 form part of these accounts.

Consolidated and College Balance Sheets

As at 30 June 2022

	Note	Group 2022 £000	College 2022 £000	Group 2021 £000	College 2021 £000
NON-CURRENT ASSETS					
Tangible assets	12	247,136	247,053	225,141	225,044
Heritage assets	13	1,481	1,481	1,481	1,481
Investment assets	14	187,757	187,757	196,145	196,145
Total non-current assets		436,374	436,291	422,767	422,670
CURRENT ASSETS					
Stocks - good for resale		3,720	41	3,858	33
Trade and other receivables	15	3,251	9,137	2,107	7,491
Cash and cash equivalents	16	7,780	5,000	4,516	3,021
Total current assets		14,751	14,178	10,481	10,545
CREDITORS: amounts falling due within one year	17	(8,504)	(7,846)	(6,531)	(6,376)
NET CURRENT ASSETS		6,247	6,332	3,950	4,169
TOTAL ASSETS LESS CURRENT LIABILITIES		442,621	442,623	426,717	426,839
CREDITORS: amounts falling due after more than one year	18	(15,974)	(15,974)	(18,179)	(18,179)
Provisions					
Pension provisions	19	(4,120)	(4,120)	(3,493)	(3,493)
TOTAL NET ASSETS		422,527	422,529	405,045	405,167
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	20	104,234	104,234	107,964	107,964
Income and expenditure reserve – restricted reserve	21	58,747	58,747	63,838	63,838
		162,981	162,981	171,802	171,802
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted reserve		254,172	254,174	233,243	233,365
Revaluation reserve		5,374	5,374	-	-
		259,546	259,548	233,243	233,365
TOTAL RESERVES		422,527	422,529	405,045	405,167

Approved by Council on 8th November 2022 and signed on their behalf by:

Dr I Collister, First Bursar

The notes on pages 43 to 64 form part of these accounts.

Consolidated Cash Flow Statement

As at 30 June 2022

	2022	2021
	£000	£000
Surplus for the year	11,293	32,378
Adjustment for non-cash items		
Depreciation	3,893	3,383
Non-cash donations or donated shares	(23)	(1,309)
Loss/(gain) on endowments, donations and investment property	3,475	(29,878)
Pension scheme (credit)/debit	1,444	(233)
Decrease/(increase) in stocks	137	(139)
(Increase)/decrease in debtors	(1,146)	40
(Decrease)/increase in creditors	(234)	478
Adjusting for investing or financing activities		
Investment income	(6,777)	(6,612)
Interest payable	666	666
Profit on sale of non-current assets	-	-
Net cash flows from operating activities	<u>12,728</u>	<u>(1,226)</u>
Cash flows from investing activities		
Investment income	4,410	5,194
Non-current investment disposal	8,006	19,839
Payments to acquire non-current fixed assets	(20,384)	(19,098)
Payments to acquire non-current heritage assets	-	-
Payments to acquire non-current investments	(830)	(9,285)
Net cash flows from investing activities	<u>(8,798)</u>	<u>(3,350)</u>
Cash flows from financing activities		
Interest paid	(666)	(666)
	<u>(666)</u>	<u>(666)</u>
Increase/(decrease) in cash and cash equivalents in the year	<u>3,264</u>	<u>(5,242)</u>
Cash and cash equivalents at beginning of year	4,516	9,758
Increase/(decrease) in cash and cash equivalents in the year	3,264	(5,242)
Cash and cash equivalents at end of the year (note 16)	<u>7,780</u>	<u>4,516</u>

The notes on pages 43 to 64 form part of these accounts.

Notes to the Accounts

As at 30 June 2022

1. ACADEMIC FEES AND CHARGES

	2022	2021
	£000	£000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,746	1,782
Fee income received at the Unregulated Undergraduate rate	559	543
Fee income received at the Graduate rate	971	688
	<hr/>	<hr/>
Total fee income	3,276	3,013
Other academic income	30	37
Cambridge Bursary Scheme	247	202
	<hr/>	<hr/>
Total	<u>3,553</u>	<u>3,252</u>

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2022	2021
	£000	£000
Accommodation		
College members	3,161	1,836
International programmes	-	-
Third parties	173	46
Catering		
College members	982	562
International programmes	-	-
Third parties	1,728	16
	<hr/>	<hr/>
Total	<u>6,044</u>	<u>2,460</u>

3. SCHOOL INCOME

	2022	2021
	£000	£000
Fees	6,670	5,824
HMRC Job Retention Scheme grant	-	93
Other income	185	91
Donations	-	1
	<hr/>	<hr/>
Total	<u>6,855</u>	<u>6,009</u>

Notes to the Accounts

As at 30 June 2022

4. ENDOWMENT RETURN AND INVESTMENT INCOME

	2022 £000	2021 £000
4a. Analysis of Investment Income		
Income drawdown from endowment (note 4b)	6,163	6,124
Other investment income	212	246
Cash balances and shared equity properties	32	49
Royalties	369	193
	<u>6,776</u>	<u>6,612</u>
(Losses)/gains on investment assets:		
(Losses)/gains on total return investment assets (below)	(3,564)	28,235
Gains on other investment assets	89	1,643
	<u>(3,475)</u>	<u>29,878</u>
4b. Summary of Total Return		
<u>Income from:</u>		
Freehold land and buildings	1,549	1,415
Quoted securities and cash	2,980	2,656
	<u>4,529</u>	<u>4,071</u>
<u>Gains/(losses) on total return investment assets:</u>		
Freehold land and buildings	3,084	1,178
Quoted securities and cash	(6,648)	27,057
	<u>(3,564)</u>	<u>28,235</u>
<u>Investment management costs in respect of:</u>		
Freehold land and buildings	(366)	(346)
Quoted securities and cash	(408)	(369)
	<u>(774)</u>	<u>(715)</u>
Total return for the year	191	31,591
Transfer to income and expenditure reserve (note 4a)	(6,163)	(6,124)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 22)	<u>(5,972)</u>	<u>25,467</u>

Notes to the Accounts

As at 30 June 2022

5. OTHER INCOME

	2022	2021
	£000	£000
Tourist admissions and shop sales	980	172
Chapel and choir	281	202
HMRC Job Retention Scheme grant	64	744
Other income	154	64
	<hr/>	<hr/>
Total	1,479	1,182
	<hr/> <hr/>	<hr/> <hr/>

6. EDUCATION EXPENDITURE

	2022	2021
	£000	£000
Teaching	3,062	2,511
Tutorial	765	646
Admissions - General	492	408
Admissions - Access and Widening Participation	1,057	806
Research	1,318	1,089
Scholarships and awards	1,538	1,055
Other educational facilities	573	526
	<hr/>	<hr/>
Total	8,805	7,041
	<hr/> <hr/>	<hr/> <hr/>

7. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE

	2022	2021
	£000	£000
Accommodation		
College members	4,580	4,088
Third parties	1,158	1,044
Catering		
College members	1,520	1,069
Third parties	874	992
	<hr/>	<hr/>
Total	8,132	7,193
	<hr/> <hr/>	<hr/> <hr/>

8. SCHOOL EXPENDITURE

	2022	2021
	£000	£000
Staff costs	4,530	4,495
Other expenditure	1,301	1,024
Depreciation	399	402
	<hr/>	<hr/>
Total	6,230	5,921
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

As at 30 June 2022

9. OTHER EXPENDITURE

	2022 £000	2021 £000
Investment management costs	939	832
Loan interest	666	666
Tourist admission and shop expenditure	491	404
Chapel expenditure	1,556	1,029
Development	168	128
FRS 102 pension provision	1,492	(75)
Other expenditure	171	155
	<u>5,483</u>	<u>3,139</u>
Total	<u>5,483</u>	<u>3,139</u>
Included within other costs is auditors' remuneration as follows:		
Fees payable to the College's auditors for the audit of the College's annual accounts	31	31
Fees payable to the College's auditors for the audit of the College's subsidiaries	9	9
	<u>40</u>	<u>40</u>
Total fees payable	<u>40</u>	<u>40</u>

10. ANALYSIS OF EXPENDITURE BY ACTIVITY

2021/22	Staff costs £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	3,649	4,338	818	8,805
Accommodation, catering and conferences	3,278	2,363	2,491	8,132
School	4,530	1,301	399	6,230
Other	2,545	2,753	185	5,483
Contribution under Statute G,II	-	91	-	91
	<u>14,002</u>	<u>10,846</u>	<u>3,893</u>	<u>28,741</u>
	<u>14,002</u>	<u>10,846</u>	<u>3,893</u>	<u>28,741</u>
2020/21	Staff costs £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	3,343	3,000	698	7,041
Accommodation, catering and conferences	3,221	1,847	2,125	7,193
School	4,495	1,024	402	5,921
Other	947	2,034	158	3,139
Contribution under Statute G,II	-	101	-	101
	<u>12,006</u>	<u>8,006</u>	<u>3,383</u>	<u>23,395</u>
	<u>12,006</u>	<u>8,006</u>	<u>3,383</u>	<u>23,395</u>

The above expenditure includes £501k as the cost of fundraising (2020/21: £413k).

Notes to the Accounts

As at 30 June 2022

11. STAFF EXPENDITURE

	College fellows £000	Non- academic £000	School £000	Total 2022 £000	Total 2021 £000
Staff costs					
Salaries and wages	1,965	4,739	3,500	10,204	9,814
National Insurance	134	403	346	883	841
Pension contributions (see note 27)	812	1,420	683	2,915	1,351
	<u>2,911</u>	<u>6,562</u>	<u>4,529</u>	<u>14,002</u>	<u>12,006</u>

Average staff numbers	No. of Fellows	FTE non- academic staff	FTE school staff.
2021/22	<u>88</u>	<u>179</u>	<u>94</u>
2020/21	<u>98</u>	<u>172</u>	<u>98</u>

At the balance sheet date there were 132 members of the Governing Body. During the year the average number receiving remuneration was the 88 shown above.

The number of officers or employees of the College, including Head of House and School, who received remuneration (including salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided gross of any salary sacrifice arrangements) in the following ranges were:

	2022	2021
£100,000-£109,999	1	-
£110,000-£119,999	1	1
£120,000-£129,999	2	2
£130,000-£139,999	-	1
£140,000-£149,999	1	-
	<u>5</u>	<u>4</u>

	2022 £000	2021 £000
During the year remuneration paid to key management personnel in their capacity as College Fellows were:		
Key management personnel aggregated remuneration	<u>595</u>	<u>633</u>

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

Notes to the Accounts

As at 30 June 2022

12. FIXED ASSETS

a) CONSOLIDATED

Cost	Freehold		Asset in Course of Construction	Plant Furniture and equipment	Computer Equipment	Group 2022 £000	Group 2021 £000
	Land	Buildings					
At 1 July 2021	66,885	108,863	27,513	44,626	1,931	249,818	230,720
Additions	-	19,536	502	237	109	20,384	19,098
Disposals	-	-	-	-	(5)	(5)	-
Revaluation in year	16,983	(40,820)	-	8,046	-	(15,791)	-
Transfer from investment properties	130	-	-	-	-	130	-
Transfer from assets in construction	-	25,952	(25,952)	-	-	-	-
At 30 June 2022	83,998	113,531	2,063	52,909	2,035	254,536	249,818
Depreciation							
At 1 July 2021	-	9,453	-	13,587	1,637	24,677	21,294
Charge for the year	-	1,916	-	1,918	59	3,893	3,383
Revaluation in year	-	(7,776)	-	(13,389)	-	(21,165)	-
Disposals	-	-	-	-	(5)	(5)	-
At 30 June 2022	-	3,593	-	2,116	1,691	7,400	24,677
Net book value – Group	83,998	109,938	2,063	50,793	344	247,136	225,141
Net book value is represented by;							
College	83,998	99,098	2,063	50,377	249	235,785	213,522
School	-	10,840	-	416	95	11,351	11,619
Total	83,998	109,938	2,063	50,793	344	247,136	225,141

b) COLLEGE

Cost	Freehold		Asset in Course of Construction	Plant Furniture and equipment	Computer Equipment	College 2022 £000	College 2021 £000
	Land	Buildings					
At 1 July 2021	66,885	108,866	27,513	44,405	1,852	249,521	230,428
Additions	-	19,539	502	230	107	20,378	19,093
Disposals	-	-	-	-	(7)	(7)	-
Revaluation in year	16,983	(40,820)	-	8,046	-	(15,791)	-
Transfer from investment properties	130	-	-	-	-	130	-
Transfer from assets in construction	-	25,952	(25,952)	-	-	-	-
At 30 June 2022	83,998	113,537	2,063	52,681	1,952	254,231	249,521
Depreciation							
At 1 July 2021	-	9,453	-	13,466	1,558	24,477	21,114
Charge for the year	-	1,915	-	1,898	58	3,871	3,363
Revaluation in year	-	(7,776)	-	(13,389)	-	(21,165)	-
Disposals	-	-	-	-	(5)	(5)	-
At 30 June 2022	-	3,592	-	1,975	1,611	7,178	24,477
Net book value - College	83,998	109,945	2,063	50,706	341	247,053	225,044

Notes to the Accounts

As at 30 June 2022

12. FIXED ASSETS (continued)

	<u>Freehold</u>		<u>Asset in</u>	<u>Plant,</u>		<u>College</u>	<u>College</u>
	<u>Land</u>	<u>Buildings</u>	<u>Course of</u>	<u>Furniture</u>	<u>Computer</u>	<u>2022</u>	<u>2021</u>
			<u>Construction</u>	<u>and</u>	<u>Equipment</u>	<u>£000</u>	<u>£000</u>
				<u>equipment</u>			
Net book value is represented by;							
College	83,998	99,105	2,063	50,290	246	235,702	213,425
School	-	10,840	-	416	95	11,351	11,619
Total	<u>83,998</u>	<u>109,945</u>	<u>2,063</u>	<u>50,706</u>	<u>341</u>	<u>247,053</u>	<u>225,044</u>

- c) The insured value of freehold land and buildings as at 30 June 2022 was £305 million (£305 million at 30 June 2021).

13. HERITAGE ASSETS

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2006 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous five years were as follows:

	2022	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000	£000
Balance at beginning of year	1,481	1,481	1,481	1,466	1,466	1,466
Acquisitions purchased with specific donations	-	-	-	-	-	-
Acquisitions purchased with College funds	-	-	-	15	-	-
Total cost of acquisitions purchased	<u>-</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>
Balance at end of year	<u>1,481</u>	<u>1,481</u>	<u>1,481</u>	<u>1,481</u>	<u>1,466</u>	<u>1,466</u>

Notes to the Accounts

As at 30 June 2022

14. INVESTMENTS ASSETS

	Group 2022 £000	College 2022 £000	Group 2021 £000	College 2021 £000
Balance at beginning of year	196,145	196,145	174,092	174,092
Additions	4,316	4,316	20,640	20,640
Disposals	(5,726)	(5,726)	(25,271)	(25,271)
Gain/(loss)	(3,736)	(3,736)	27,345	27,345
Transfer to operational buildings	(130)	(130)		
Decrease in cash balances held	(3,112)	(3,112)	(661)	(661)
	<u>187,757</u>	<u>187,757</u>	<u>196,145</u>	<u>196,145</u>
Balance at end of year	<u>187,757</u>	<u>187,757</u>	<u>196,145</u>	<u>196,145</u>
Represented by:				
Quoted securities and unit trusts	142,398	142,398	148,538	148,538
Quoted securities – fixed interest	843	843	1,906	1,906
Freehold land and buildings	32,364	32,364	31,507	31,507
Investment in subsidiary undertakings	-	-	-	-
Unlisted securities	8,342	8,342	6,203	6,203
Cash with fund managers	541	541	4,398	4,398
College joint equity scheme	2,055	2,055	2,379	2,379
Literary royalties	1,214	1,214	1,214	1,214
	<u>187,757</u>	<u>187,757</u>	<u>196,145</u>	<u>196,145</u>
Total	<u>187,757</u>	<u>187,757</u>	<u>196,145</u>	<u>196,145</u>

Subsidiary Undertakings

At 30 June 2022, Kings College held an investment in the following companies:

	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
King's College Cambridge Enterprises Ltd	Ordinary	100%	United Kingdom	Provision of conference facilities
KCS Facilities Ltd	Ordinary	100%	United Kingdom	Provision of sports hall facilities
King's College Cambridge Developments Ltd	Ordinary	100%	United Kingdom	Provision of development facilities

15. TRADE AND OTHER RECEIVABLES

	Group 2022 £000	College 2022 £000	Group 2021 £000	College 2021 £000
Members of the College	74	74	53	53
Trade debtors	441	341	269	251
Amounts due from subsidiary companies	-	7,256	-	5,464
Other debtors	2,736	1,466	1,785	1,723
	<u>3,251</u>	<u>9,137</u>	<u>2,107</u>	<u>7,491</u>

Notes to the Accounts

As at 30 June 2022

16. CASH AND CASH EQUIVALENTS

	Group 2022 £000	College 2022 £000	Group 2021 £000	College 2021 £000
Bank deposits	75	75	73	73
Current accounts	7,701	4,921	4,438	2,943
Cash in hand	4	4	5	5
	<u>7,780</u>	<u>5,000</u>	<u>4,516</u>	<u>3,021</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £000	College 2022 £000	Group 2021 £000	College 2021 £000
Bank loan	205	205	205	205
Members of the College	140	140	134	134
Trade creditors	515	302	647	587
Accruals and deferred income	2,850	1,910	3,014	1,963
Social security, pension and taxes	251	251	242	242
University fees	1,795	1,795	98	98
Contribution to Colleges fund	91	91	101	101
Amounts due to subsidiary companies	-	888	-	965
Other creditors	2,657	2,264	2,090	2,081
	<u>8,504</u>	<u>7,846</u>	<u>6,531</u>	<u>6,376</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £000	College 2022 £000	Group 2021 £000	College 2021 £000
Project Tintagel loan	15,000	15,000	15,000	15,000
Interest-free loan from a donor	-	-	2,000	2,000
School bank loan	974	974	1,179	1,179
	<u>15,974</u>	<u>15,974</u>	<u>18,179</u>	<u>18,179</u>

In 2014 the College borrowed from institutional investors (Project Tintagel loan), collectively with other Colleges. The College's share was £15 million. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges.

In 2018 the College took out a bank loan of £2 million on behalf of the School to help fund the building of the Sports Centre. The loan is to be repaid over 10 years at a fixed interest rate of 2.99%. The balance falling due after more than one year at 30 June 2022 was £974,361.

Notes to the Accounts

As at 30 June 2022

19. PENSION PROVISIONS

	CCFPS £000	USS £000	Total 2022 £000	Total 2021 £000
Balance at beginning of year	(2,276)	(1,217)	(3,493)	(5,363)
Movement in year:				
Current service cost	-	-	-	-
Contributions paid by the College	39	-	39	158
Change in expected contribution	-	(1,403)	(1,403)	166
Finance cost	(69)	(11)	(80)	(91)
Actuarial gains recognised in statement of comprehensive income and expenditure	817	-	817	1,637
Balance at end of year	<u>(1,489)</u>	<u>(2,631)</u>	<u>(4,120)</u>	<u>(3,493)</u>

20. ENDOWMENTS

Group and College	Restricted Permanent Endowments 2022 £000	Unrestricted Permanent Endowments 2022 £000	Total 2022 £000	Total 2021 £000
Balance at beginning of year:				
Capital	40,347	67,617	107,964	95,931
New donations and endowments	121	-	121	91
Increase in market value of investments	(1,325)	(2,082)	(3,407)	11,991
Transfer from General Reserves	(444)	-	(444)	(49)
Balance at end of year	<u>38,699</u>	<u>65,535</u>	<u>104,234</u>	<u>107,964</u>
Analysis by type of purpose:				
Student support	25,415	-	25,415	26,628
Fellowship	5,209	-	5,209	5,397
Chapel and choir	3,783	-	3,783	3,822
Other funds	4,292	-	4,292	4,500
General endowments	-	65,535	65,535	67,617
	<u>38,699</u>	<u>65,535</u>	<u>104,234</u>	<u>107,964</u>

Notes to the Accounts

As at 30 June 2022

20. ENDOWMENTS (continued)

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Total 2022 £000	Total 2021 £000
Analysis by asset:				
Property	6,350	10,756	17,106	17,342
Investments	31,463	53,278	84,741	88,201
Cash	886	1,501	2,387	2,421
	<u>38,699</u>	<u>65,535</u>	<u>104,234</u>	<u>107,964</u>

21. RESTRICTED RESERVES

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2022 £000	Total 2021 £000
Group and College					
Balance at beginning of year	<u>4,579</u>	<u>10,226</u>	<u>49,033</u>	<u>63,838</u>	<u>64,573</u>
Comprising:					
Capital	-	-	49,033	49,033	42,566
Unspent income	<u>4,579</u>	<u>10,226</u>	-	<u>14,805</u>	<u>22,007</u>
Balance at beginning of year	4,579	10,226	49,033	63,838	64,573
New grants	14,820	-	-	14,820	5,011
New donations	-	441	4,787	5,228	3,103
Endowment return transferred	-	1,466	1,303	2,769	2,616
Other income	-	212	247	459	448
Increase/(decrease) in market value of investments	-	(127)	(1,359)	(1,486)	5,230
Expenditure	-	(1,625)	(2,784)	(4,409)	(4,111)
Capital grants utilised	(19,049)	-	-	(19,049)	(13,081)
Transfer	-	(1,180)	(2,243)	(3,423)	49
Balance at end of year	<u>350</u>	<u>9,413</u>	<u>48,984</u>	<u>58,747</u>	<u>63,838</u>
Comprising:					
Capital	-	-	48,984	48,984	49,033
Unspent income	<u>350</u>	<u>9,413</u>	-	<u>9,763</u>	<u>14,805</u>
Balance at end of year	<u>350</u>	<u>9,413</u>	<u>48,984</u>	<u>58,747</u>	<u>63,838</u>

Notes to the Accounts

As at 30 June 2022

21. RESTRICTED RESERVES (continued)

Analysis of other restricted funds/donations by type of purpose:	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2022 £000	Total 2020 £000
Student support	-	6,344	16,895	23,239	22,917
Fellowship	-	909	7,084	7,993	8,395
Chapel and choir	-	1,540	17,153	18,693	20,040
Buildings	350	-	2,861	3,211	7,529
Other funds	-	620	4,991	5,611	4,957
	<u>350</u>	<u>9,413</u>	<u>48,984</u>	<u>58,747</u>	<u>63,838</u>

22. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Memorandum of Unapplied Total Return	2022 £000	2021 £000
Within reserves the following amounts represent the Unapplied Total Return of the College:		
Unapplied total return at the beginning of year	113,005	87,538
Unapplied total return for the year (note 4b)	<u>(5,972)</u>	<u>25,467</u>
Unapplied total return at end of year	<u>107,033</u>	<u>113,005</u>

23. RECONCILIATION AND ANALYSIS OF NET DEBT

	At 30 June 2021 £000	Cash Flows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2022 £000
Cash and cash equivalents	4,516	3,264	-	-	7,780
Borrowings: Amount falling due within one year:					
Secured loans	(205)	-	-	-	(205)
Borrowings: Amount falling due after more than one year:					
Secured loans	<u>(18,179)</u>	<u>2,205</u>	<u>-</u>	<u>-</u>	<u>(15,974)</u>
Total net debt	<u>(13,868)</u>	<u>5,469</u>	<u>-</u>	<u>-</u>	<u>(8,399)</u>

Notes to the Accounts

As at 30 June 2022

24. FINANCIAL INSTRUMENTS

	2022 £000	2021 £000
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments (note 14)	143,241	150,444
Other equity investments (note 14)	8,342	6,203
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents (note 14 and 16)	8,321	8,914
Other equity investments (note 14)	2,055	2,379
Other debtors (note 15)	-	1,255
Financial liabilities		
Financial liabilities measured at amortised cost		
Bank overdraft		
Loans (note 17 and 18)	16,179	16,384
Trade creditors (note 17)	515	647
Other creditors (note 17)	4,931	4,662

25. CAPITAL COMMITMENTS

Authorised future capital expenditure amounted to £11,167,500 at 30 June 2022 including works on Croft Gardens, Spalding and the Chapel (£16,392,000 at 30 June 2021). In addition, the College has committed to invest a further £735,000 in Private Equity funds.

26. FINANCIAL COMMITMENTS

At 30 June 2022 and 2021 the College had no annual commitments under non-cancellable operating leases.

27. PENSION SCHEMES

The College and its subsidiary undertakings participate in four defined benefit schemes and one defined contribution scheme.

The total pension cost for the year was as follows:

Notes to the Accounts

As at 30 June 2022

27. PENSION SCHEMES (continued)

	2022 £000	2021 £000
University Superannuation Scheme (includes FRS 102)	2,112	565
Cambridge Colleges' Federated Pension Scheme (includes FRS 102)	78	77
Teachers' Pension Scheme	491	487
Church of England Funded Pension Scheme	15	19
NOW: Pensions	219	203
	<hr/> 2,915	<hr/> 1,351
	<hr/> <hr/>	<hr/> <hr/>

University Superannuation Scheme (USS)

The total cost charged to the statement of comprehensive income and expenditure is £2,112k (2020/21 £565k).

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI 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:

Notes to the Accounts

As at 30 June 2022

27. PENSION SCHEMES (continued)

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:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

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

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	3.25%	2.7%

Cambridge Colleges Federation Pension Scheme (CCFPS)

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

The liabilities of the plan have been calculated, at 30 June 2022, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges’ Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2022 % p.a.	2021 % p.a.
Discount rate	3.80	1.80
RPI assumption	3.45	3.40
CPI assumption	2.75	2.60

Notes to the Accounts

As at 30 June 2022

27. PENSION SCHEMES (CCFPS continued)

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

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term rate of future improvement of 1.25% p.a, a standard smoothing factor (7.0) and no allowance for additional improvements (2021: S3PA with CMI_2020 future improvement factors and a long-term future improvement rate of 1.25% p.a, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

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

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

	Male	Female
Deferred Members – Option 1 Benefits	63	62

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

The amounts recognised in the Balance Sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows:

	2022 £000	2021 £000
Present value of plan liabilities	(13,302)	(16,597)
Market value of plan assets	11,812	14,320
Net defined benefit asset/(liability)	<u>(1,490)</u>	<u>(2,277)</u>

The amounts to be recognised in Profit and Loss for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows.

	2022 £000	2021 £000
Current service cost & ongoing expenses	28	23
Interest on net defined benefit (asset)/liability	41	58
Total	<u>69</u>	<u>81</u>

Notes to the Accounts

As at 30 June 2022

27. PENSION SCHEMES (CCFPS continued)

Changes in the present value of the plan liabilities for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£000	£000
Present value of plan liabilities at beginning of period	16,597	17,960
Current service cost (including Employee contributions)	-	-
Benefits paid	(529)	(855)
Interest on plan liabilities	294	254
Actuarial (gains)/losses	<u>(3,060)</u>	<u>(762)</u>
Present value of plan liabilities at end of period	<u>13,302</u>	<u>16,597</u>

Changes in the fair value of the plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£000	£000
Market value of plan assets at beginning of period	14,320	13,969
Contributions paid by the College	39	158
Employee contributions	-	-
Benefits paid	(561)	(886)
Interest on plan assets	253	196
Return on assets, less interest included in Profit & Loss	<u>(2,239)</u>	<u>883</u>
Market value of plan assets at end of period	<u>11,812</u>	<u>14,320</u>
Actual return on plan assets (including interest)	<u>(1,986)</u>	<u>1,079</u>

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
Equities	52%	48%
Bonds & Cash	34%	42%
Property	14%	10%
Total	100%	100%

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£000	£000
Actual return less expected return on plan assets	(2,239)	883
Experience gains and losses arising on plan liabilities	(861)	427
Changes in assumptions underlying the present value of plan liabilities	<u>3,917</u>	<u>327</u>
Actuarial gain/(loss) recognised in OCI	<u>817</u>	<u>1,637</u>

Notes to the Accounts

As at 30 June 2022

27. PENSION SCHEMES (CCFPS continued)

Movement in surplus/(deficit) during the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£000	£000
Surplus/(deficit) in plan at beginning of year	(2,277)	(3,991)
Recognised in Profit and Loss	(69)	(81)
Contributions paid by the College	39	158
Actuarial gain/(loss) recognised in OCI	817	1,637
	<hr/>	<hr/>
Surplus/(deficit) in plan at the end of the year	<u>(1,490)</u>	<u>(2,277)</u>

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 21 May 2021 and are as follows:

- Annual contributions of not less than £136,777 p.a. payable for the period to 30 June 2021 only.

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

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme. This is a statutory, contributory, final salary and career average, unfunded scheme and as such it is not possible to identify the College's share of the underlying assets and liabilities of the scheme. The College contributes 23.68% of teachers' gross salary for those in the scheme while employee contributions are tiered and as from April 2021 the range was 7.4% to 11.7%.

For schemes such as the Teachers' Pension Scheme, FRS102 requires the College to account for pension costs on the basis of contributions actually payable to the scheme in the year. The total pension cost for the College was £491,000 (2019/20 £487,000).

Notes to the Accounts

As at 30 June 2022

27. PENSION SCHEMES (continued)

Church of England Funded Pensions Scheme (CEFPS)

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.
- RPI inflation of 3.4% p.a. (and pension increases consistent with this).
- Increase in pensionable stipends of 3.4% p.a.
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% p.a.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below.

	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2019, 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Notes to the Accounts

As at 30 June 2022

27. PENSION SCHEMES (CEFPS continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2020 and over 2021 is set out in the table below.

	2021 £'000	2020 £'000
Balance sheet liability at 1 January	11	13
Deficit contribution paid	(3)	(5)
Interest cost	-	-
Remaining change to the balance sheet liability*	(6)	3
Balance sheet liability at 31 December	2	11

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	2021 % p.a.	2020 % p.a.	2019 % p.a.
Discount rate	0.0	0.2	1.1
Price inflation	n/a	3.1	2.8
Increase to total pensionable payroll	-1.5	1.6	1.3

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

NOW: Pensions

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £219,000 (2020/21 £203,000).

28. CONTINGENT LIABILITIES

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

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of 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

Notes to the Accounts

As at 30 June 2022

29. RELATED PARTY TRANSACTIONS (continued)

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 Fellows' Remuneration Committee.

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

From	To	2022 Number	2021 Number
£0	£10,000	11	13
£10,001	£20,000	2	1
£20,001	£30,000	-	1
£30,001	£40,000	2	1
£40,001	£50,000	1	2
£50,001	£60,000	-	-
£60,001	£70,000	-	-
£70,001	£80,000	1	-
£80,001	£90,000	-	-
£90,001	£100,000	1	-
£100,001	£110,000	-	1
£110,001	£120,000	1	-
	Total	19	19

Notes to the Accounts

As at 30 June 2022

29. RELATED PARTY TRANSACTIONS (continued)

The total Trustee salaries were £263,085 for the year (2020/21 £300,099)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £58,747 for the year (2020/21 £71,428)

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

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

THE KING'S COLLEGE OF OUR LADY AND SAINT NICHOLAS IN CAMBRIDGE

England & Wales - Charity number 1139422

Accounts

KING'S COLLEGE

CAMBRIDGE



Annual Report & Accounts



Photo: Martin Bond

For the Financial Year 1st July 2020 to 30th June 2021

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Foundation



King's College was founded in 1441 by King Henry VI as "The King's College of Our Lady and Saint Nicholas, in Cambridge". His aim, recorded in our founding documents, was to establish a community of poor scholar clerks within the University of Cambridge. Since then, the College has worked to fulfil its responsibilities as a place of education, religion, learning and research and to play its part in advancing the University.

As both society and the academic world have changed, so the means we need to adopt to achieve this end have changed. We have endeavoured to maintain all that is valuable in our heritage and to grow and develop to meet new challenges. Those challenges have been especially acute during the past two years as we dealt with the COVID-19 pandemic.

In meeting those challenges, we have relied on the support and generosity of those who share our aspirations. Donors, starting with our Founder and continuing up to the present day, have enabled us to explore new ideas and find new ways to deliver our core purposes. The College remains deeply grateful to them.

The College also depends on its students, staff and Fellows. It is through selecting the most able applicants to study at the College, and by supporting them through their studies, that we maintain our academic health. Making that selection fairly and taking due account of the potential applicants show is very challenging, especially as the educational environment in the country changes. Nonetheless, it is crucial that we are successful in maintaining our academic standards. The Fellowship is responsible for the leadership for the College. The Provost and Fellows form the Governing Body and determine the College's role as a self-governing academic institution. Fellows teach and provide pastoral support to students; conduct research; and manage the administration of the College. Finally, the College community as a whole relies on the expertise and commitment of our staff. They serve the College well and enable us to work and thrive as a community.

These accounts set out the progress of the College over the financial year from 1st July 2020 to 30th June 2021. It aims to set out the purposes and aspirations of the College as well as recording our financial results. Those finances enable us to protect and enhance our key purposes in education, religion, learning and research.

THE GOVERNING BODY

Provost

Professor Michael Proctor

Fellows

Dr Zoe Adams
Dr Ronojoy Adhikari
Dr Tess Adkins
Dr Sebastian Ahnert
Dr Mark Ainslie
Dr David Al-Attar
Dr Anna Alexandrova
Professor John Arnold
Dr Nick Atkins
Professor Gareth Austin
Professor William Baker
Dr Amanda Barber (to 30.09.20)
Dr John Barber (to 26.06.21)
Professor Michael Bate
Dr Andreas Bender (to 01.04.21)
Dr Alice Blackhurst
Professor Richard Bourke
Dr Mirjana Bozic
Dr Angela Breitenbach
Professor Jude Browne
Professor Nick Bullock
Dr Katie Campbell (from 01.10.20)
Dr Matei Candea
Dr Keith Carne (First Bursar)
Professor Richard Causton
Mr Nick Cavalla
The Rev'd Dr Stephen Cherry (Dean)
Dr Maurice Chiodo
Dr Francesco Colucci
Dr Sarah Crisp
Dr Laura Davies
Professor Anne Davis
Professor Peter de Bolla
Dr James Dolan
Professor John Dunn
Professor George Efstathiou
Professor Bradley Epps
Dr AYTEK Erdil
Dr Sebastian Eves-van den Akker
Professor Khaled Fahmy
Dr Elisa Faraglia
Professor James Fawcett
Professor Iain Fenlon
Dr John Filling
Dr Timothy Flack (Senior Tutor)
Dr Freddy Foks
Professor Robert Foley

Dr Dejan Gajic (to 15.04.21)
Professor Matthew Gandy
Dr Chryssi Giannitsarou
Lord Tony Giddens
Dr Ingo Gildenhard
Professor Christopher Gilligan
Professor Simon Goldhill
Dr David Good
Dr Caroline Goodson
Dr Tim Griffin
Professor Gillian Griffiths
Professor Ben Gripaios (to 22.11.20)
Professor Mark Gross
Dr Henning Grosse Ruse-Khan
Dr Aline Guillermet
Dr Cesare Hall
Ms Lorraine Headen
Professor John Henderson
Dr Felipe Hernandez
Dr Kate Herry (from 01.10.20)
Dr Ryan Heuser
Dr Myfanwy Hill (from 01.01.21)
Dr David Hillman
Dr Stephen Hugh-Jones
Professor Dame Caroline Humphrey
Professor Herbert Huppert
Dr Alice Hutchings (from 01.10.20)
Professor Martin Hyland
Mr Daniel Hyde
Mr Philip Isaac (Domus Bursar)
Professor Mark Johnson
Mr Peter Jones (Librarian)
Professor Richard Jozsa
Dr Aileen Kelly
Professor Barry Keverne
Dr Joanne Kusiak
Professor James Laidlaw
Professor Richard Lambert
Professor Charlie Loke
Professor Sarah Lummis
Professor Alan Macfarlane
Dr Marwa Mahmoud
Dr Cicely Marshall
Professor Nicholas Marston (Vice Provost)
Professor Jean-Michel Massing
Dame Judith Mayhew Jonas
Dr Naomi McGovern
Professor Dan McKenzie
Professor Cam Middleton
Dr Jonah Miller (from 01.10.20)
Dr Fraz Mir (from 01.10.20)
Dr Perveez Mody

Professor Geoff Moggridge
Dr Kamiar Mohaddes
Dr Ken Moody
Dr Basim Musallam
Dr Johannes Noller (from 01.10.20 to 01.02.21)
Dr Rory O'Bryen
Dr Julianne Obadia
Dr Rosanna Omitowaju
Professor Robin Osborne
Dr Tejas Parasher
Dr John Perry
Dr Adriana Pesci
Professor Chris Prendergast
Dr Surabhi Ranganathan
Dr Ben Ravenhill (from 01.10.20)
Professor Robert Rowthorn
Professor Paul Ryan
Professor Hamid Sabourian
Professor Jason Sharman
Dr Mark Smith
Dr Michael Sonenscher
Dr Sharath Srinivasan
Professor Gareth Stedman Jones
Dr Erika Swales (to 25.06.21)
Dr James Taylor
Mr James Trevithick
Professor Caroline van Eck
Dr Bert Vaux
Dr Jamie Vicary (from 01.10.20)
Dr Rob Wallach
Dr Darin Weinberg
Dr Godela Weiss-Sussex
Dr Tom White
Professor John Young
Professor Nicolette Zeeman
Dr Edward Zychowicz-Coghill (from 01.10.20)

Members in statu pupillary

Ms Eunice Adeoyo (to 31.12.20)
Mr Stephane Crayton (to 31.12.20)
Mr Edward Everett (to 31.12.20)
Ms Estella Nouri (to 31.12.20)
Ms Eve James (from 01.01.21)
Mr Adam Motloch (from 01.01.21)
Mr Alex Provost (from 01.01.21)
Mr Nathan Roundy (from 01.01.21)

COUNCIL, OFFICERS AND ADVISORS

Address

King's College
King's Parade
Cambridge CB2 1ST

Registered Charity Number

1139422

Charity Trustees (Members of Council)

The Provost
Dr Zoe Adams
Dr Ronojoy Adhikari (to 31.12.20)
Dr Mark Ainslie
Dr Mirjana Bozic (to 31.12.20)
Dr Matei Candea
Dr Laura Davies (to 31.12.20)
Dr James Dolan
Professor John Dunn (from 01.01.21)
Professor George Efstathiou (to 31.12.20)
Dr Tim Griffin (from 01.01.21)
Professor Gillian Griffiths (from 01.01.21)
Ms Lorraine Headen (to 31.12.20)
Professor Caroline Humphrey (to 31.12.20)
Dr Ken Moody (to 31.12.20)
Dr John Perry (from 01.01.21)
Professor Jason Sharman (from 01.01.21)
Dr Sharath Srinivasan (from 01.01.21)

Members in statu pupillari

Ms Eunice Adeoyo (to 31.12.20)
Mr Stephane Crayton (to 31.12.20)
Mr Edward Everett (to 31.12.20)
Ms Estella Nouri (to 31.12.20)
Ms Eve James (from 01.01.21)
Mr Adam Motloch (from 01.01.21)
Mr Alex Provost (from 01.01.21)
Mr Nathan Roundy (from 01.01.21)

Senior Officers

Provost: Professor Michael Proctor
Vice Provost: Professor Nicholas Marston
Senior Tutor: Dr Tim Flack
Dean of Chapel: Rev'd Dr Stephen Cherry
Director of Development: Ms Lorraine Headen
First Bursar: Dr Keith Carne
Domus Bursar: Mr Philip Isaac

President KCSU: Ms Eunice Adeoyo (to 31.12.20)
President KCSU: Ms Eve James (from 01.01.21)
President KCGS: Mr Edward Everett (to 31.12.20)
President KCGS: Mr Nathan Roundy (from 01.01.21)

PRINCIPAL PROFESSIONAL ADVISORS

Actuaries

Cartwright Consulting
Mill Pool House
Mill Lane
Godalming GU7 1EY

Auditors

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

Solicitors

Petersfield LLP
20 Station Road
Cambridge CB1 2JD

Barr Ellison
39 Parkside
Cambridge CB1 1PN

Property Managers and Valuers

Bidwells
Trumpington Road
Cambridge CB2 2LD

Savills
Unex House
132-134 Hills Road
Cambridge CB2 8PA

Investment Advisors/Managers

Cazenove Capital
31 Gresham Street
London EC2V 7QA

Bankers

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

Report of the Council

COVID-19

Last year the pandemic upset our financial plans with a very significant fall in income. Although the pandemic has continued, we have been able to make some progress towards normal operation. We are still facing significant difficulties but we are becoming better at dealing with them and planning for recovery.

Unlike last year, most of our students were able to be in Cambridge and to continue with their studies. They and all of us faced restrictions on what was permitted and most lectures and supervisions were online. The College arranged for weekly pooled PCR tests for households of students living in College and this proved effective at limiting the spread of COVID-19. Despite that, many of the social and cultural activities that would usually take place were not possible. Catering tried to find alternatives, creating gift packages at weekends, but students had a difficult and very restricted time. We hope and expect things to be better this year with most teaching taking place in person and social events resuming in a careful and safe manner. The great majority of our staff and Fellows are now back in College. We are, of course, dependant on the spread of COVID-19 remaining under control and we have contingency plans in case circumstances deteriorate.

The University and Colleges have worked together to try to deal with the pandemic as well as we can. There has been good and effective co-operation with a strong desire to protect the most vulnerable. The Vice-Chancellor, Stephen Toope, provided excellent leadership and a “Gold Team”, with representatives from the University and the inter-collegiate committees, provided advice and guidance throughout. That has certainly made our task within the College easier.

We did not believe that it would be possible, or prudent, to aim for a balanced budget for 2020/21 because of the exceptional circumstances. Instead, we set a budget that anticipated a gradual recovery of income and tried to keep expenditure as low as we reasonably could without causing lasting damage. The Governing Body therefore agreed an operational budget with a predicted deficit of £1.343 million. We were also very conscious that this budget was far less certain than it would be in normal times. The recovery has been slower and less certain than we had hoped or expected, leading to further losses. We eventually achieved a deficit on our management accounts of £2.175 million. In the circumstances I believe that this is a good outcome. The performance of our investments helped offset these losses.

While the educational parts of our operation were able to resume, albeit in a restricted manner, there was a large fall in income. Tourism and catering for external events both became impossible. In normal years, each of these would have brought in a very considerable income. There were some corresponding savings that arose, especially as temporary, casual staff were not required and the furlough scheme helped us. We were careful, however, not to lose our valued permanent staff.

The College relies heavily on the skills and dedication of our staff. It was that which helped us keep the losses in 2020/21 to reasonable levels. Hence, we do not want to

lose valued members of staff if there is a reasonable expectation that they will be needed in the future, when life returns to normal. There was also a strong sense from the Governing Body that we did not want our staff to suffer more than necessary in these difficult times. So, the College did not make any staff redundant because of the pandemic and continued to pay full salaries to staff who were on furlough. It is also the case that our staff have shown great flexibility and dedication in responding to the changing circumstances.

The College Council and Finance Committee discussed at length our future financial plans. It was agreed that we should look for a recovery of our finances over a longer period. So, the budget set for 2021-22 would continue to show a deficit but we would prepare outline budgets for later years that would show how the College might recover and use future surpluses to strengthen its reserves. That would enable us to be resilient to meet future challenges such as the pandemic. These plans can only be tentative for the future but they give us some confidence that we can rebuild and gather the resources we need to pursue our purposes imaginatively and well.

This planning led the Governing Body to agree a budget for 2021-22 with a deficit of £1.392 million. The longer-term plans show us achieving reduced deficits for 2022-23 and 2023-24 and then we move back into operational surpluses from 2024-25. From the model, the accumulated deficit due to the pandemic will still amount to £2.92 million by 2027.



Education

The College provides, within the University of Cambridge, an education for around 650 undergraduate and graduate students that is recognised internationally as being of the highest standard. This education develops students academically and more broadly prepares them to play full and effective roles in society. The College aims to attract as undergraduate and graduate students such persons as are best fitted to take academic advantage from the education it offers, regardless of gender, sexual orientation or educational, social, ethnic, or personal background. It devotes a major part of its resources, both financial and personal, to the task of selecting students from the widest range of backgrounds as it can, and supporting them through their studies. All decisions as to membership of the College are made by the College.

The education of junior members reading for undergraduate degrees is overseen by the Senior Tutor. The academic studies of each undergraduate member of the College are overseen by a Director of Studies and Tutor. Directors of Studies are responsible for organising supervisions and other classes for each undergraduate reading for the specific Tripos examinations for which they are severally responsible. College teaching is designed to complement the lectures and other classes provided by the University. To supervise undergraduate students the College employs persons fitted by their learning to do so; these are normally Fellows of the College, Fellows of other Cambridge colleges, and those holding post-doctoral positions or reading for a graduate degree within the University. The Fellows of the College responsible for teaching junior members either hold University teaching and/or research posts or have been appointed to Fellowships on the basis of their distinction as teachers and/or researchers. The College appoints Tutors to oversee the educational progress and the general well-being of all undergraduate students studying the subjects for which they are severally responsible, and to represent their pupils, where necessary, in formal dealings with the University. In their care for the general welfare of the junior members of the College, the Tutors enjoy the assistance of the Lay Dean and the Chaplain, as well as other support services provided by the College Nurse, the Cognitive Behavioural Therapist and Mental Health Advisor.

The education of junior members reading for graduate degrees is chiefly the responsibility of Faculties and Departments, who appoint academic supervisors. The College receives reports from the academic supervisors and provides such academic and other support as the Senior Tutor and the Tutors for Graduate Studies consider appropriate. All graduate students enjoy the support of a Graduate Tutor, who as well as being there to provide pastoral support, also facilitates a rich academic and social environment through organising seminars and social events.

In terms of College governance, the Senior Tutor reports regularly to the Education Committee, the College Council and to the Governing Body on the academic performance of junior members of the College, as well as all matters relating to the provision of education, and student support which enables our students to take full advantage of everything King's, and the University, has to offer.

Most junior members of the College live in College accommodation. It is College policy that charges for accommodation should be comparable to those in other competitor universities. In order to facilitate access to undergraduate and graduate education regardless of financial circumstances, the College offers financial support on the basis of need. This is done through the Cambridge Bursary scheme and through our own hardship funds. In addition, research studentships, undergraduate scholarships, and prizes are awarded on the basis of academic excellence.

The academic year 2020/21 has been a very tough year for all at King's, but particularly for our students, especially those leaving home for the first time. In order to comply with Government legislation, and DfE guidance, the College had to create a framework to manage the risk of COVID outbreaks. That included things like dividing our students into households within their accommodation; providing teaching, and other essential meetings, remotely; carrying out risk assessments, and limiting capacities on our communal spaces; managing periods of self-isolation for students who either contracted COVID, or had been in contact with a confirmed case. An additional Assistant Tutor was brought in to help with this, as well as a COVID Coordinator, and we received support from staff in other areas who were redeployed to help with the impact of the pandemic on our students.

For periods of the pandemic when the country was in lockdown, there were minimal opportunities for students to leave their households and to socialise. Admissions was carried out entirely online, and with a few exceptions examinations were taken remotely. Many students required financial support for COVID-related hardship, particularly our overseas students who were faced with the additional expenses of COVID tests and quarantine costs. Despite all of these difficulties, our students acquitted themselves incredibly well, achieving a very high proportion of Firsts and 2.1s. However, a few students really struggled with living under pandemic conditions despite all of the support on offer, and this was reflected in their results. However, with the relaxation of COVID restrictions, we expect things to be greatly improved in the coming year.

Religion

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

- Maintains and supports the Chapel as a place of religious worship and holds a variety of religious services during term, which are open to the general public and visitors.
- Maintains its choral tradition, which is integral to the provision of Divine Service in its Chapel, through the College's Choir. This choir includes both Choral Scholars, who are students, and Choristers, who are pupils of King's College School.
- Supports, through the College Dean and Chaplain, the emotional, mental and spiritual well-being of all members of the College community whatever their faith.
- Maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron of over 20 parishes.

The Founder's Statutes of 1443 require the College to provide for and conduct Divine Service in the College Chapel and to maintain a choir. The Choristers are members of the College and the College is responsible for their education and training. This tradition, established by Henry VI at the foundation of the College, has been continued ever since.

Learning

Some of the Library and Archives staff were furloughed intermittently during 2020/21. During the lockdown, the Library was able to continue many of their services remotely with some working on site to support the students in residence. Students were allowed to study in the library during the Michaelmas and Easter terms and the long vacation, but the archives remained closed to non-King's researchers for the entire year.

The College Library is a first port of call for junior members of the College as a repository of books and information, and its archives, rare books and manuscripts provide a major resource for scholarship, both for members of the College and for scholars from outside the College. The number of loans for the year totalled 10,714 from the total stock accessible via the online catalogue of 119,301 books. Catalogue records from the Library are uploaded to the iDiscover Catalogue of the University Library and it is possible to access the catalogue directly from the College website.

During the year, 5 readers (3 of them new) made 10 visits to the Archives reading room, 54 documents were retrieved for visitors and 1,975 enquiries answered by email or post. There were no in-person exhibitions given this year. The Fellow Librarian is the College's designated Freedom of Information Officer and the archivists assisted him in complying with the College's obligations under the Act, compiling answers for 65 enquiries within the framework of the Act; they also responded to 5 individuals' subject access requests under data protection legislation and monitored developments after the Brexit transition period ended. The archivists also oversee the College's records management programme, which ensures that the College meets its statutory obligations and determines what information should be kept for the sake of future researchers, as well as for administrative requirements.

Research

The College provides an intellectual and social environment that fosters research at the highest level, and offers a fertile ground for interdisciplinary approaches. Each year, the College appoints a number of Research Fellows. In 2020/21 four stipendiary Research Fellows were elected: one, part-funded by a donation from the Mellon Foundation, to work on Slavery and its Impact; one in Engineering Sciences; one, wholly funded by a donation to the College, to work on the history and cultures of the countries of the Silk Roads; and finally, following the discovery of an early Medieval cemetery in Barton Road the College elected to a Research Fellowship in Late Roman and Early Medieval Archaeology of Britain. A further non-stipendiary Research Fellowship was elected to work in the Biological and Medical Sciences.

The College also appoints as College Research Associates a number of post-doctoral researchers who have funding from other sources, with limited dining rights and a small research allowance, for two years (renewable). In 2020/21, the College appointed four College Research Associates in the Sciences together with three in the Arts. The College also renewed for a further two years four College Research Associates who had come to the end of their initial two-year term.

In addition, the College appoints non-stipendiary visiting Fellows nominated by Fellows and welcomes short-term visitors for academic research. Appointments to visiting Fellowships were duly made but the pandemic has played havoc with the timing of their visit. Any Fellow may apply for a small grant to support his or her research. The College runs international conferences, workshops and seminars annually, organised by Fellows of the College.

School

The College considers that the educational needs of the King's College Chapel Choristers are best served by being educated in a co-educational school that offers a broad and rich curriculum and experience, included within the larger foundation. The Choristers are full boarders at the School in order that they may take part in the routine of services in the Chapel and so they may be selected from the widest geographical pool. The College believes that the best way of balancing the demands of the choral tradition with the need for high quality education is through such a choir school model.

King's College School provides an education for day pupils and boarders, aged 4 to 13. The excellence that describes the long established choral tradition underpins how we approach all aspects of our provision. Working closely in support of the College's values, including the commitment to excellence, creativity, cultural diversity and inclusivity, our pupils are indeed very fortunate to be able to enjoy wonderful facilities and a stimulating curriculum.

In September 2021 we introduced the new Learning Hub, overseen by the Director of Student Learning. The Cresco Division, offering further enrichment opportunities for all pupils, sits alongside the choral training programmes for boys [The Chapel Choristers] and girls [*Schola Cantorum*].

Girls' Boarding was first introduced in September 2020. It has been popular and there are a number of children requesting flexi boarding opportunities on a more regular basis.

Following the completion of the Sports and Cultural Centre in November 2018, we have been delighted to develop our outreach programme and pleased to welcome classes from a local primary school for their weekly PE lessons which are delivered by King's College School staff. We have recently appointed a new Head of Sport Development whose remit includes the extension of our outreach/partnership profile.

We continue to explore possibilities for longer term partnerships with other schools in the local area and abroad, working in support of children's development in music as well as in literacy, numeracy, sport and STEM subject programs. This has not been

easily brought to fruition due to COVID-19 restrictions, which although slightly less robust, are nonetheless still ongoing.

2020/21 would be another very different academic year. In the Michaelmas Term children were permitted to be in school, albeit in strictly controlled bubbles, but by January 2021 we were once again in lockdown. In-school provision was only available for vulnerable children and/or those whose parents are keyworkers. Once again we offered a full provision of all parts of the curriculum and co-curriculum online. Once on-site lessons resumed for all pupils, we continued to live-stream to all those not able to return into School. Throughout the summer we continued to offer holiday camps, some run by the school and some operated by an external organisation who hire our facilities.

We have been delighted to celebrate the successes of so many of the Year 8 cohort in gaining entry to their senior schools, with 29 scholarship awards.

Despite the uncertainty of the pandemic, pupil numbers have remained reasonably steady in all classes. In addition to the Chorister Scholarships, the School offers a means-tested bursary for pupils applying from local primary schools at age 7. We continue to explore options for establishing a Bursary Fund, which we hope will ultimately be an investment of sufficient capital value to support more children in attending King's College School. In 2021 we shall apply a small bursary in support of those who are member of the girls' choral programme, *Schola Cantorum*.

Buildings

We had planned to do a large amount of building work over the year. While the pandemic has made this harder, we have still proceeded. Indeed, the lockdown has enabled us to carry out works with less concern about disruption to our members. The Clerk of Works has been very busy and remarkably successful in advancing these projects, despite the difficulties caused by lockdown restrictions, and all of the projects are progressing well.

The renovation and extension of Garden Hostel was delayed by the lockdown but completed before Christmas. Work at Croft Gardens has continued rapidly and well. The work there is due to complete in May 2022 ready for occupation in the following academic year. That will also be at the *Passivhaus* standard for the new buildings. We have also begun major works in the main part of the College. The slate on the roof of the Hall was replaced over the latter half of 2020 with photovoltaic panels added to the southern slope. Unfortunately, we discovered faults in the chimney stacks on the Wilkins Building (above A Staircase) that needed masonry repairs and these delayed the striking of the scaffold. The second half of the rooms in the Keynes Building were renovated over the summer. This has allowed a major improvement to the quality of those rooms but also allowed us to improve their efficiency significantly, including modern communal kitchens and dining areas. Finally, the quality of the work replacing the Collyweston slates on the roof of Bodley's Court last year has been recognised at the Annual British Roofers award ceremony, with the roof being judged the best overall roof across all categories.



Development

- Funds raised in 2020/21 including pledges: £4,275,473
- Cash received in 2020/21: £8,960,001
- Number of alumni: 9,646
- Number of addressable alumni: 8,894
- Number of alumni who made a gift: 1,007
- Participation rate: 11.3%
- Number of alumni and development events in FY (including digital events): 31
- Total number of attendees at these events: 3,774
- Volunteers: 76
- Social Media following:
 - King's College Twitter: 12,100 Followers
 - King's College Facebook: 14,385 Fans
 - King's College Instagram: 11,000 Followers
 - King's College Choir Facebook: 132,000 Fans
 - King's College Choir Twitter: 12,200 Followers
 - King's College Choir Instagram: 19,500 Followers

To align with the Collegiate University's Campaign, we take 2011/12 as the start of the silent phase of our fundraising Campaign. We launched the public phase of the King's Campaign on 1 December 2018 with a target of £100 million. From 1 July 2020 to 30 June 2021, we raised a total of £4,275,473 in new philanthropic gifts and received cash in of £8,960,001: which gives a Campaign running total of £75,561,742.

Work on the new philanthropically funded College accommodation for graduate students, postdocs, and Fellows produced one of this year's most exciting pieces of news - the discovery of a large early medieval cemetery on the site of the Croft Gardens development on Barton Road. Archaeological work completed just before Christmas uncovered around 70 burials from the 5th, 6th and 7th centuries (CE), along with numerous grave goods. The findings are significant, and the College is appointing a new four-year Research Fellow in Late Roman and Early Medieval Archaeology of Britain to learn as much as we can from it.

The College has long believed in the importance of fair access and academic excellence. Building on the funds for additional student support generated from the new accommodation at Cranmer Road and the continuing generosity of our alumni and friends towards our Student Access and Support Initiative (SASI) launched in 2018, we are now piloting new programmes to support disadvantaged students at key points along their educational journey from sixth form through to their time at King's as undergraduate and graduate students. These funds are allowing the College to be ambitious and to break new ground in supporting and encouraging talented students of all backgrounds.

Student hardship has been greatly exacerbated by the pandemic making increasing demands on the Supplementary Exhibition Fund (the SEF), which is expendable and allows us to use the capital in difficult times. However, this is our most vital student support fund, making awards of all sizes to the majority of our students; we need to replenish it each year and hope to attract funds to sustain it for the longer term. The SEF is the focus of our annual Telephone Fundraising Campaign (TFC). The TFC 2020 held in early December was a great success raising £213,380 for student support, with alumni and our student callers having had so many enjoyable conversations, perhaps even more so than usual given the challenging year. We sincerely thank all those who gave and engaged so positively with our callers.

Alongside the TFC we launched our first email campaign to raise funds for student support, with a particular emphasis on graduate hardship. Closures of laboratories, libraries and research spaces in lockdown earlier this year have meant studies put on hold and research and fieldwork having to be abandoned or postponed. Those PhD students who are unable to complete in time are likely to overrun their funding period and find themselves in real financial difficulty. A recent survey of our graduate students in King's has shown that many are under a great deal of financial strain at a time when they need to do their best work, which is leading to welfare and mental health problems too. A total of almost £50,000 was donated from alumni and friends which is now helping those in greatest need, and we are indebted to them for their generous and fast response to our call for action.

A generous gift from the Gatsby Charitable Foundation has established a new summer research bursary programme for King's undergraduates, aimed at inspiring talented science students from disadvantaged backgrounds to think about going on to a PhD and further research. The Gatsby Summer Internship Programme for the Sciences offers King's undergraduates in the early and middle years of their degree the opportunity to work with a King's Fellow or University academic on a focused research project for a 6–10-week period over the summer vacation. The College has created a parallel programme for the Arts and Humanities, and for those students who do not qualify for the Gatsby scheme. The first year was hugely popular. A King's undergraduate research conference is being arranged for late October 2021 to showcase the posters produced by the participating students and Fellows, and to share the projects with the wider student audience and encourage sign up for the next year's programme.

A significant gift from an alumnus to support 'innovation' at King's was inspired by our digital event 'Global Perspectives', the growing interest in entrepreneurship across the College, the success of the Entrepreneurship Competition, and the long history of entrepreneurship at King's. The King's Entrepreneurship Lab has been created (virtual in the first instance) with a new training course open to all students at King's, which could lead to seed funding being awarded to two of the most promising business ideas; a seminar series; and an entrepreneurship in residence programme. It will complement the Entrepreneurship Competition and a Senior Advisory Committee has been formed to advise and evaluate the progress of the Lab. This is unique in the collegiate university and is offering wonderful new opportunities to our students.

Two King's Fellows have also been extremely generous and creative with their donations this year. One gift has established a new fund to enable students from economically disadvantaged backgrounds to make the most of their educational opportunities at Cambridge, from when they first accept their offer through to when they graduate. The fund is particularly aimed at helping students who are refugees or the children of refugees, students from under-represented backgrounds and those who are the first in their immediate family to go to university. Another Fellow made a gift to support post-COVID entertainment as a way to help rebuild the damage caused by the pandemic to the life of the College as a community, and a further gift and pledge towards graduate studentships, with a preference for awards to be made to students whose own parents did not go to university.

Many of our new donations have been made by non-King's alumni, which include support over the next three years will provide financial aid and scholarships to home and overseas postgraduate students in any subject; a joint gift to King's and to the Economics Faculty to pilot a dynamic new research programme in the Economics of Inequality; a significant gift to support the Director of Music's work with the Choir; and a thoughtful donation towards refurbishing the fountain in the Front Court.

One of the silver linings to the pandemic is that we had to learn new ways of working and acquire new skills. Our move from in-person events to online events was slightly daunting at first, but the Events Team soon became experts and designed 31 digital events across the year, with around 3,775 attendees from across the globe.

The Communications Team has continued to play a key role throughout this challenging year. Among a myriad of other things, the Team has been heavily involved in all aspects of the King's COVID-19 communications and logistics, dealt with press enquiries, produced weekly 'internal' newsletters sent to students, staff and Fellows; and regular alumni newsletters that have been sent to more than 9,000 alumni around the world keeping them abreast of the latest College news and plans. The increased number of followers on each of our social media channels is a testament to the impact of their work. The Label and Media Manager, is co-opted to this group and manages the Chapel and Choir communications and social media; the Choir has the greatest following of all.

The College is registered with the Fundraising Regulator. No complaints about its fundraising activities were received.

Structure, Governance and Management

King's College (formally "The King's College of Our Lady and St Nicholas in Cambridge") was founded in 1441 as one of the constituent colleges of Cambridge University. It endorses the University's aims and endeavours to work with the University and other Colleges to further those aims. So, its principal aims are to support education, religion, learning and research. The College is a charitable corporate body established by Royal Charter with perpetual status and recognised under Common Law. It is also registered as a charity, number 1139422.

The College is governed in accordance with statutes, approved by Order of Her Majesty in Council. The statutes of the University of Cambridge and specific legislation covering the University of Cambridge apply to the College. The Visitor of the College is the Bishop of Lincoln.

The College is governed by the Provost and the Fellows of the College who, together with four resident members of the College *in statu pupillari*, constitute the College's Governing Body. The Provost is responsible for 'general superintendence over the affairs of the College' and presides over congregations of the Governing Body. The administration of the College is devolved to the College Council, and reported to the Governing Body. There are also further committees provided for by statute and ordinance or established from time to time by the Governing Body or the Council.

Corporate Governance

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

1. The College is a registered charity (registered number 1139422) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
2. Council reports to the Governing Body, which consists of the Provost, the Fellows and four student members. The Council and the Governing Body are advised and supported by a number of committees: the Adornment Committee, Audit and Scrutiny Committee, Buildings & Safety Committee, Catering Committee, Chapel Committee, Choir Strategy, Church Patronage Committee, Computing & Website Committee, Development Committee, Education Committee, Fellows' Remuneration Committee, Fellowship Committee, Finance Committee, Gardens Committee, Investment Committee, Library Committee, Personnel Committee, Research Committee, Studentship Electors, Visitors Committee, Wine Committee.
3. The Governing Body appoints the Finance Committee and the Audit and Scrutiny Committee. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls. The Finance Committee reports to Council, which proposes budgetary and financial controls to the Governing Body. The Governing Body appoints the Audit and Scrutiny Committee to act as internal auditors. It advises on the appointment of external auditors; considers reports from those auditors; monitors the implementation of recommendations; and make an annual report to the Council and the Governing Body.
4. There is a Register of Interests of all members of the Governing Body. The College maintains a Conflicts of Interest Policy and systematically requires declarations of interest at all meetings of College committees.

Statement of Internal Control

1. The Council is 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 the College's Statutes.
2. 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.
3. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This

process was in place for the year ended 30 June 2020 and up to the date of approval of the financial statements.

Risk Assessment

King's College has a statutory duty to support education, religion, learning and research. In pursuit of this duty, it is prepared to accept risks. For example, the process of selecting students, and engaging in research will always entail risks but these are risks we must undertake. It also accepts that it needs to take investment risks in order to achieve the return required for its continuing operation. The College will attempt to minimise all risks that are not essential for its core purposes. In particular, it will attempt to minimise the overall risk of safety to members of the College and the public; of financial loss due to inappropriate financial controls; and of reputational damage.

Each year the College's Finance Committee and Council assess the risks the College faces and the steps that we can take to mitigate those risks. In the financial year 2020/21, as in 2019/20, our main concern has been the pandemic. We have worked with staff and students within the College to try to keep all safe and to support those in need. We have also worked with the University to operate in a safe and consistent manner and to ensure that all Colleges and Departments survive these challenges. Within the College, our greatest risk is balancing the immediate needs with our responsibilities to future generations. The Governing Body considers that the current, exceptional circumstances require us to spend more than our income for a brief period so that we protect the College and do not cause irremediable harm to our structure and purposes. Nonetheless we require a clear plan to restore our finances and sustain normal operation. We will still ensure that funds are spent appropriately and that we move rapidly back to a balanced budget where we can rebuild our endowment. We aim to do that while minimising the pain caused to our students and staff.

Because of the uncertainty surrounding the pandemic and how it will affect the College and the country, we have continued to model a variety of scenarios and considered how we would need to react to them. We have done that in conjunction with the University and other Colleges. We plan to continue to do this as a protection against the risks we face.

Of particular concern to the College and its School are the risks to children and vulnerable adults. Our policies on safeguarding are designed to ensure that appropriate care is taken to protect them.

Council considers that it is exercising appropriate management of its activities and the associated risks.

Financial Review

Scope and Accounting Policy

The consolidated financial statements incorporate all of the activities of the College including those of the School, the trading activities of King's College Cambridge Enterprises Limited and KCS Facilities Limited, and the renovation and construction activities undertaken by King's College Cambridge Developments Limited. Together, these entities comprise the Group. References to the College in the Financial Review below refer to the results of the Group.

The accounts are prepared to show a true and fair view. The College brought in a new form of accounts in 2015/16 because of the adoption of Financial Reporting Standard 102. This change affected all Higher Education organisations including Cambridge Colleges. On page 40, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £34,014k (£5,909k deficit in 2019/20). The SOCIE is a statement of all movements of the net assets of the College between one year and the next. Therefore, it reports all operating income and expenditure, investment gains and losses, and adjustments for pensions and other matters. The large surplus in the year is due to investment gains in the year. The boxed section on page 40 is, in effect, the operating result as reported for the year and it is this figure that the College seeks to control through its budget although the management accounts do not include the pension provision and unrestricted donations. Therefore, the College reported a deficit of £1,890k for 2020/21 compared to a surplus of £632k for 2019/20. The deficit is due to the impact of the COVID-19 pandemic in the year.

Income

The College funds its activities from academic fees, charges for student residences and catering, the income from its conference and catering business, visitors, its invested endowments, and from donations and legacies. The future funding of Universities remains uncertain with the Government yet to explain its intentions over research funding or student fees. Moreover, we remain concerned about the need to support applications from a wide variety of backgrounds and support for those who are admitted to study here. King's College is proud of its ability to attract applicants and we provide good support, financial and pastoral, to those students. Nonetheless, this is an area that requires new and imaginative ways to ensure that we sustain the quality of our students and give them the opportunity to thrive. Already, a large proportion of our expenditure is devoted to that end and this amount is likely to increase further as we explore more effective and appropriate ways to fulfil our aims. This is also an area where the College has received very generous donations and continues to do so, allowing us to be imaginative in exploring different approaches.

The great majority of our expenditure is to support education and research. The cost of education, for both undergraduates and graduates, exceeds the income we receive from fees. In common with other Colleges, we assess each year the full cost of education to compare this with the fee income. For the academic year 2020/21, the

cost of undergraduate education for the College was £11,716 per student compared to average College fees of £4,625. The cost of a graduate education for the College was £10,875 per student compared to average fees of £4,000. In both cases, the costs falling to the University are excluded.

The College continues to try and increase income. Academic fee income was up overall by 2.4% due to a 5.7% increase in Undergraduate fee income that was partly offset by a 7.2% decrease from Graduate fee income. Home/EU undergraduate numbers remained the same at 386 students and the privately funded and overseas undergraduate numbers increased from 50 to 58. Graduate numbers were down by 20 due to the pandemic (from 189 to 169). In addition, the graduate fee and the fee for privately funded and overseas undergraduates increased 4% and 10% respectively. The fee for Home/EU undergraduates was unchanged. Other Academic and Research Income decreased 6.2% in 2020/21 due to a decrease in the receipts from the University in respect of the Cambridge Bursary Scheme.

College Members' Accommodation income was impacted by the pandemic but it was only down 4.4% on 2019/20 because there was the full closure of the College in the Easter Term 2020. Third Party business practically ceased in 2020/21 due to COVID-19. Third Party Accommodation was down 90% on 2019/20 and Third Party Catering down 98.3%. College Members' Catering (including internal sales) was down 44.0% and overall income from Residences, Catering and Conferences was down 46.2%, a £1.88 million decrease on 2019/20 and a £3.33 million decrease on 2018/19.

Investment Income decreased 4.5% in 2020/21. This included a 4.6% fall in the spending rule income that came about from a 25% fall in the retail investment properties values at 30 June 2020. The spending rule income is calculated at 3.35% of the average endowment value for the previous three years (30 June 2018, 30 June 2019 and 30 June 2020). Royalty income was down 27.4% (£73k) on 2019/20 but this was due to the large fees received in 2019/20 in respect of E.M. Forster rights for a *Howards End* play and a *Maurice* film. In 2013/14 the College borrowed £15 million for periods of 30 to 40 years (see Note 18). This has been invested in the College Amalgamated Investment Fund and at 30 June 2021 the net assets, after interest payments, amount to £17.39 million.

Tourist Admissions income fell by 92.4% in 2020/21 and the Visitor Centre sales were down 87.1%. The 2019/20 figures included the College closure from March 2020. Overall, total turnover from Tourist Admissions and Visitor Centre sales was down £2.4 million on pre-pandemic levels. Other Income for 2020/21 includes £744k from the HMRC's Job Retention Scheme for staff furloughed (£510k in 2019/20). There were no Choir Tours or Chapel Concerts in 2020/21 and lost income was matched by similar falls in expenditure as operations ceased.

Expenditure

The College tries to maintain the real value of its endowment and to this end, the Investment Committee is asked to assess the expected real rate of return on our investments so we know what is available to spend. Their current assessment is that we can spend 3.35% of the endowment. This is averaged over three years to reduce

variation. This amounted to £6.12 million in 2020/21 (£5.76 million in 2019/20). The increase is because the investments from the original £15m Project Tintagel loan were brought into the College's Amalgamated Fund in 2020/21. Adjusting for the dividends from the Project Tintagel units in the Amalgamated Fund, the spending rule income is down 2.2% in the year as mentioned in the income section above. Endowment income from the spending rule represents a significant part of our overall expenditure of £23.4 million. The Investment Committee will consider the spending rule again, in the light of growing concern about investment prospects.

In this year, costs as a whole decreased 2% but there was a £800k USS pension provision credit in 2019/20. Adjusting for this, expenditure fell by 5.3% in the year. This is largely due to the pandemic but the relatively small fall is because the College closed for one term in 2019/20 and operating expenditure fell away as activities ceased. Staff costs increased by 5% in the year but after adjusting for the USS pension credit, staff costs fell by 2%. This can be broken down between a 4.3% decrease in College wages and a 2.6% increase in School wages. These salary figures exclude the income from the Job Retention Scheme that was received for furloughed staff in the year. This totalled £744k for the College (£510k in 2019/20) and £93k for the School (£185k in 2019/20). College operating expenditure (excluding the School) decreased by 13.1% in the year because expenditure levels decreased significantly because of the pandemic.

Capital expenditure, particularly on buildings, varies dramatically from year to year. This makes it challenging to account for such expenditure and to plan it effectively. We try to do this by setting a depreciation charge in our annual accounts that reflects the average real amount we expect to spend. We also prepare a building plan for the next decade to guide our preparation and delivery of major projects. The total depreciation (excluding the School) was £2,981,083 for the year (£2,912,324 in 2019/20). This is very close to the expected average spend over the next decade. This depreciation charge reflects the costs we expect to face in renovating our existing buildings. There are, however, growing pressures on the College to erect new buildings or adapt existing ones to new purposes. For instance, there is a growing wish to house our graduate students because the rents in Cambridge have grown unaffordable. The depreciation charge will not meet those new needs. Generous philanthropic donations will soon enable us to house our graduates.

Net Financial Performance

As in previous years, the College has continued to support its net spending on education (total education expenditure less College fee income) of £3,786,753 (£4,116,789 in 2019/20) with its investment income. In addition, the net cost of accommodation increased in 2020/21 to £3,252,363 (£2,576,157 in 2019/20) as a result of the loss of student rents and external accommodation income from the pandemic. The net deficit on catering also increased to £1,484,021 (£663,785 in 2019/20). The increased deficit does not include £336k (£185k in 2019/20) that was received from HMRC for catering staff that were furloughed in the year.

The School recorded a surplus of £98,154 for 2020/21 (£260,845 in 2019/20). In addition, the College provided funds for choristership bursaries and bank interest of £388,740 (£415,395 in 2019/20) and the School paid £339,840 in rent back to the College (£341,916 in 2019/20). A total of £128,238 has been transferred to the funds designated for the School within the College reserves (£334,324 in 2019/20).

Capital Expenditure

During the year, capital expenditure including heritage assets was £19,096,733 (£15,781,280 in 2019/20). This includes £18,779,809 for maintenance projects, £35,088 for the School, £160,900 on the chapel including the lighting project and electrical replacements, £16,535 for catering, gardens and shop expenditure and £104,401 for IT. The College maintenance projects includes £401,756 and £411,563 towards the completion of the Cranmer Road and Bodley's projects respectively, £1,571,353 on the Wilkins Hall roof, £4,343,974 for the Old Garden project, £5,735,131 towards the Croft Gardens new-build project and £5,695,083 towards the Keynes refurbishment and the bar. The School's capital expenditure includes £22,861 on IT and equipment and £12,227 on the girls boarding house.

Going Concern

The global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased in March 2020 as the majority of students returned home. Students returned to the College at the start of the new academic in October 2020, but further lockdowns restricted their numbers in the College and many College activities especially our conference/private dining business and visitor admissions. It is unlikely that conference/private dining and visitor income will be able to return to pre-pandemic levels in the near future.

The Trustees have prepared forecasts for the period to 2024 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has made use of the Government Job Retention Scheme. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

Investments

When the World Health Organisation declared a pandemic, the stock markets fell sharply and our equity investments fell too. The major markets did, however, recover quickly and our equities are back well above their previous levels. So, the return on our equity investments has been very good with a rise of 21.2% over the financial year.

Unfortunately, that has not been the case with property holdings. In the current circumstances, it is very difficult to let retail properties and consequently very difficult to assess their value. That meant that the property part of our endowment, consisting mainly of retail premises in Cambridge, fell sharply in 2019/20, by about 25%. Our income from the rents on those retail premises has also been affected. Many of our properties are let to small, independent traders. While all retailers have been affected by the fall in customer numbers, those small retailers have less resilience. The College has tried to help them by waiving and deferring rent so we share the pain with them. We have done this because the Investment Committee thinks that it is best to support our existing and successful tenants rather than seeking new tenants in the current, difficult climate. Over 2020/21 there was some recovery but values still remain well below that before the pandemic. The total return on our property holdings in 2020/21 was 7.7%

The Investment Committee has also continued to be concerned about our responsibilities as investors. We hold no direct investments and have pressed the managers of the funds we hold about their approach to responsible investment. The Committee agreed a statement on our aims for investments and this was approved by Council. That statement, published on our website, looks to ensure that we move decisively to more sustainable ways of operating both in our investments and in our operation within the College. Decreasing our reliance on fossil fuels within our historic buildings is challenging but we have made some significant progress. Most of our assets are invested in index funds. The Committee is concerned about how we can exercise our responsibilities as investors through such funds and has actively looked at alternatives as they become available. We, and other Colleges, have worked with Amundi to develop new index funds that track the MSCI World index but take account of ESG concerns and avoid fossil fuel companies. We have now moved £13 million into Amundi's ESG Low Carbon Fund.

Restricted Funds

The spending rules of the permanent restricted funds are contained in each fund's terms as stipulated by the donor. The College aims to spend all income arising in such funds, if the rules permit, and to retain the capital. In 2020/21, all but £304,218 (£444,255 in 2019/20) of the income arising in permanent restricted funds was spent in the year.

The spending rules of the expendable restricted funds are contained in each fund's terms as stipulated by the donor. The College aims to spend all income arising in such funds, if the rules permit, and the College may spend capital from a fund providing it fully satisfies the wishes of the donor.

Reserves

Designated funds are not permitted under the new RCCA guidelines and therefore have been transferred to General reserves. Included within General reserves, the College has designated the ongoing reserves of the School as a separate fund to reflect

the responsibility given to the School Governors by the College. In total the College has £233,242,604 in unrestricted reserves, of which £225,141,322 is represented by fixed assets. Income from our free reserves is a vital part of our revenue expenditure. Hence we intend to maintain this level of free reserves, or to increase it to improve future income.

Dr T K Carne
First Bursar on behalf of the Trustees
9th November, 2021

Statement of the Responsibilities of the Council and Governing Body

The Council in conjunction with the Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require that financial statements are prepared 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 those financial statements the Council in conjunction with the Governing Body is required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Council in conjunction with the Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and to 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 Council in conjunction with the Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report to the Council and Governing Body of King's College

Opinion

We have audited the financial statements of King's College (the 'College') for the year ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Council.

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

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

Responsibilities of the Council and Governing Body

As explained more fully in the responsibilities of the Council and Governing Body statement set out on page 25, the Council and Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council and Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council and Governing Body are responsible for assessing the College's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 9th November 2021

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

Statement of Principal Accounting Policies

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 10.

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

Going concern

The global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased as the majority of students returned home in March 2020. Students returned to the College at the start of the new academic year in October 2020 and many College activities have resumed. However, it is unlikely that the conference activity will be able to resume in the immediate future.

The Trustees have prepared forecasts for the period to 2023 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has taken measures to reduce its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has sought to utilise financial measures announced by the Chancellor of the Exchequer, on behalf of HM Treasury to support and provide funding to businesses during this time. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment assets.

BASIS OF CONSOLIDATION

The financial statements incorporate those of the College, which includes the School, and the College's subsidiaries, King's College Cambridge Developments Limited, King's College Cambridge Enterprises Limited and KCS Facilities Limited.

The accounts do not include the activities of the King's College Student Union and King's College Graduate Society, on the basis that the College does not have control over the operations of these entities.

RECOGNITION OF INCOME AND INVESTMENT RETURN

Academic fees

Academic fees are recognised in the period to which they relate and include 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 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 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 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 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 College operates a total return policy with regard to its endowment assets (including property). Spendable income equivalent to 3.35% of the average endowment for the last three years is included as endowment income and investment management costs are charged against capital.

Other income

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

Cambridge Bursary Scheme

The Cambridge Bursary Scheme (CBS) administration has changed from 2016/17;

- The Student Loan Company (SLC) assesses the students for CBS eligibility.
- The SLC pays the student direct for the CBS payment and then takes the money from the College by direct debit.
- At the end of term, the University provides the College with a list of students and a breakdown of the University and College contributions.

The College has shown the gross payment made to eligible students and a contribution from the University as Income under “Academic Fees and Charges.

The net payment of £160k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£202k
Expenditure	£362k

Foreign currency translation

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

PENSION SCHEMES

The College pays contributions to four pension schemes which provide benefits to its members based on final pensionable salary and one defined contribution pension scheme. The assets of these schemes are held separately from those of the College.

Universities Superannuation Scheme

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

Cambridge Colleges Federated Pension Scheme

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

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date for accounting purposes. The assets of the Scheme are measured at fair value, and liabilities are estimated on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond. The resulting net asset or liability is presented separately after total assets less current liabilities on the face of the balance sheet.

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme which is a statutory, contributory, final-salary scheme. The College is unable to identify its share of the underlying assets and liabilities.

Church of England Funded Pensions Scheme

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

NOW: Pensions

The College also operates a defined contribution scheme NOW: Pensions. This is a UK multi-employer pension fund and the pension charge represents the amounts payable by the College to the fund in respect of the year.

FIXED ASSETS

a. Land and buildings

College land and buildings used for operational purposes (to house College Members) are stated at depreciated replacement cost from 1 July 2014 following a revaluation review carried out by professional valuers, Gerald Eve. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives with a range for the different buildings (excluding the chapel) between 45 years to 115 years. The Chapel is depreciated over 200 years. Freehold land is not shown separately and is not depreciated. Assets 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.

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.

b. Maintenance of premises

The cost of major refurbishment is capitalised and depreciated over the expected useful economic life. The cost of routine maintenance under £10,000 is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

c. Plant, furniture, fittings and equipment

Plant, furniture, fittings and equipment are capitalised at cost. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets, which are as follows:

Plant	20 years
Furniture and equipment	10 years
Computer equipment	5 years

d. Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1st July 2006 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1st July 2006 have been capitalised at cost or, in the case of

donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

INVESTMENTS

a. Securities

Securities listed on a recognised stock exchange are shown at their market value, i.e. the middle market quotation ruling at the close of business on 30 June, translated for overseas investments into sterling at the rates of exchange ruling at that date. Unlisted securities are shown at the Governing Body's estimate of fair value.

Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included as earned. Interest purchased or sold as part of the price for investments is treated as capital rather than being brought into the statement of comprehensive income and expenditure.

b. Properties

The College takes advice from its agents each year on the value of its properties and carries out a full valuation periodically.

c. Other investments

Shared equity housing interests are stated at cost. Royalties are held at valuation and are valued periodically by independent valuers.

STOCKS

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

PROVISIONS

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

CONTINGENT LIABILITIES AND ASSETS

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

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

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

FINANCIAL INSTRUMENTS

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

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

FINANCIAL ASSETS

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

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 and Expenditure. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

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

FINANCIAL LIABILITIES

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

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

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income and Expenditure 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.

EMPLOYMENT BENEFITS

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

RESERVES

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

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

TAXATION

The College is a registered charity (number 1139422) 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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 12.

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

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

Retirement benefit obligations – The cost of defined benefit pension plans 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 27.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 27.

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

Statement of Comprehensive Income and Expenditure

Year ended 30 June 2021

	Note	Unrestricted £000	Restricted £000	Endowment £000	Total 2021 £000	Unrestricted £000	Restricted £000	Endowment £000	Total 2020 £000
INCOME									
Academic fees and charges	1	3,049	203	-	3,252	2,972	224	-	3,196
Accommodation, catering and conferences	2	2,460	-	-	2,460	4,340	-	-	4,340
School	3	6,009	-	-	6,009	6,116	-	-	6,116
Investment income	4	242	246	4,071	4,559	947	222	4,402	5,571
Endowment return transferred	4	3,507	2,617	(6,124)	-	3,090	2,667	(5,757)	-
Other income	5	1,182	-	-	1,182	2,858	-	-	2,858
Total income before donations and endowments		16,449	3,066	(2,053)	17,462	20,323	3,113	(1,355)	22,081
Donations		179	1,418	-	1,597	281	949	-	1,230
New endowments		-	1,734	91	1,825	-	784	283	1,067
Capital donations for assets		-	5,011	-	5,011	-	686	-	686
Total Income		16,628	11,229	(1,962)	25,895	20,604	5,532	(1,072)	25,064
EXPENDITURE									
Education	6	3,991	3,050	-	7,041	5,151	2,164	-	7,315
Accommodation, catering and conferences	7	7,127	66	-	7,193	7,509	68	-	7,577
School	8	5,921	-	-	5,921	5,866	-	-	5,866
Other expenditure	9	1,378	1,046	715	3,139	1,304	753	907	2,964
Contribution under Statute G,II		101	-	-	101	142	-	-	142
Total expenditure		18,518	4,162	715	23,395	19,972	2,985	907	23,864
(Deficit)/surplus before other gains and losses		(1,890)	7,067	(2,677)	2,500	632	2,547	(1,979)	1,200
Gain/(loss) on investments		9,889	5,230	14,759	29,878	(2,194)	(1,990)	(2,470)	(6,654)
Surplus/(deficit) for the year		7,999	12,297	12,082	32,378	(1,562)	557	(4,449)	(5,454)
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		-	-	-	-	-	-	-	-
Actuarial gain/(loss) in respect of pension schemes		1,636	-	-	1,636	(455)	-	-	(455)
Total comprehensive income for year		9,635	12,297	12,082	34,014	(2,017)	557	(4,449)	(5,909)

The notes on pages 44 to 66 form part of these accounts.

Statement of Changes in Reserves

Year ended 30 June 2021

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2020	210,527	64,573	95,931	371,031
Surplus from income and expenditure statement	7,999	12,297	12,082	32,378
Other comprehensive income	1,636	-	-	1,636
Transfer in year	-	49	(49)	-
Release of restricted capital funds spent in the year	13,081	(13,081)	-	-
Balance at 30 June 2021	<u>233,243</u>	<u>63,838</u>	<u>107,964</u>	<u>405,045</u>

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2019	212,544	64,016	100,380	376,940
Surplus from income and expenditure statement	(1,562)	557	(4,449)	(5,454)
Other comprehensive income	(455)	-	-	(455)
Transfer in year	-	-	-	-
Release of restricted capital funds spent in the year	-	-	-	-
Balance at 30 June 2020	<u>210,527</u>	<u>64,573</u>	<u>95,931</u>	<u>371,031</u>

The notes on pages 44 to 66 form part of these accounts.

Consolidated and College Balance Sheets

As at 30 June 2021

	Note	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
NON-CURRENT ASSETS					
Tangible assets	12	225,141	225,044	209,426	209,314
Heritage assets	13	1,481	1,481	1,481	1,481
Investment assets	14	196,145	196,145	174,092	174,092
Total non-current assets		<u>422,767</u>	<u>422,670</u>	<u>384,999</u>	<u>384,887</u>
CURRENT ASSETS					
Stocks - good for resale		3,858	33	3,720	39
Trade and other receivables	15	2,107	7,491	2,148	7,281
Cash and cash equivalents	16	4,516	3,021	9,758	8,162
Total current assets		<u>10,481</u>	<u>10,545</u>	<u>15,626</u>	<u>15,482</u>
CREDITORS: amounts falling due within one year	17	<u>(6,531)</u>	<u>(6,376)</u>	<u>(5,846)</u>	<u>(5,677)</u>
NET CURRENT ASSETS		<u>3,950</u>	<u>4,169</u>	<u>9,780</u>	<u>9,805</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>426,717</u>	<u>426,839</u>	<u>394,779</u>	<u>394,692</u>
CREDITORS: amounts falling due after more than one year	18	<u>(18,179)</u>	<u>(18,179)</u>	<u>(18,385)</u>	<u>(18,385)</u>
Provisions					
Pension provisions	19	<u>(3,493)</u>	<u>(3,493)</u>	<u>(5,363)</u>	<u>(5,363)</u>
TOTAL NET ASSETS		<u>405,045</u>	<u>405,167</u>	<u>371,031</u>	<u>370,944</u>
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	20	107,964	107,964	95,931	95,931
Income and expenditure reserve – restricted reserve	21	63,838	63,838	64,573	64,573
		<u>171,802</u>	<u>171,802</u>	<u>160,504</u>	<u>160,504</u>
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted reserve		233,243	233,365	210,527	210,440
TOTAL RESERVES		<u>405,045</u>	<u>405,167</u>	<u>371,031</u>	<u>370,944</u>

Approved by Council on 9th November 2021 and signed on their behalf by:

Dr T K Carne, First Bursar

The notes on pages 44 to 66 form part of these accounts.

Consolidated Cash Flow Statement

Year ended 30 June 2021

	2021	2020
	£000	£000
Surplus for the year	32,378	(5,454)
Adjustment for non-cash items		
Depreciation	3,383	3,321
Non-cash donations or donated shares	(1,309)	-
Gain/(loss) on endowments, donations and investment property	(29,878)	6,654
Pension scheme (credit)/debit	(233)	(1,042)
Increase in stocks	(139)	(245)
Decrease in debtors	40	2,710
Increase in creditors	478	673
Adjusting for investing or financing activities		
Investment income	(6,612)	(6,926)
Interest payable	666	666
Profit on sale of non-current assets	-	2
Net cash flows from operating activities	<u>(1,226)</u>	<u>359</u>
Cash flows from investing activities		
Investment income	5,194	4,120
Non-current investment disposal	19,839	19,144
Payments to acquire non-current fixed assets	(19,098)	(15,781)
Payments to acquire non-current heritage assets	-	-
Payments to acquire non-current investments	(9,285)	(303)
Net cash flows from investing activities	<u>(3,350)</u>	<u>7,180</u>
Cash flows from financing activities		
Interest paid	(666)	(666)
	<u>(666)</u>	<u>(666)</u>
(Decrease)/increase in cash and cash equivalents in the year	<u>(5,242)</u>	<u>6,873</u>
Cash and cash equivalents at beginning of year	9,758	2,885
Increase/(decrease) in cash and cash equivalents in the year	(5,242)	6,873
Cash and cash equivalents at end of the year (note 16)	<u>4,516</u>	<u>9,758</u>

The notes on pages 44 to 66 form part of these accounts.

Notes to the Accounts

As at 30 June 2021

1. ACADEMIC FEES AND CHARGES

	2021	2021
	£000	£000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,782	1,778
Fee income received at the Unregulated Undergraduate rate	543	422
Fee income received at the Graduate rate	688	741
	<hr/>	<hr/>
Total fee income	3,013	2,941
Other academic income	37	32
Cambridge Bursary Scheme	202	223
	<hr/>	<hr/>
Total	<u>3,252</u>	<u>3,196</u>

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2021	2020
	£000	£000
Accommodation		
College members	1,836	1,920
International programmes	-	213
Third parties	46	433
Catering		
College members	562	765
International programmes	-	50
Third parties	16	959
	<hr/>	<hr/>
Total	<u>2,460</u>	<u>4,340</u>

3. SCHOOL INCOME

	2021	2020
	£000	£000
Fees	5,824	5,724
HMRC Job Retention Scheme grant	93	185
Other income	91	96
Donations	1	111
	<hr/>	<hr/>
Total	<u>6,009</u>	<u>6,116</u>

Notes to the Accounts

As at 30 June 2021

4. ENDOWMENT RETURN AND INVESTMENT INCOME

	2021 £000	2020 £000
4a. Analysis of Investment Income		
Income drawdown from endowment (note 4b)	6,124	5,757
Other investment income	246	852
Cash balances and shared equity properties	49	51
Royalties	193	266
	<u>6,612</u>	<u>6,926</u>
(Losses)/gains on investment assets:		
(Losses)/gains on total return investment assets (below)	28,235	(6,066)
(Losses)/gains on other investment assets	1,643	(588)
	<u>29,878</u>	<u>(6,654)</u>
4b. Summary of Total Return		
<u>Income from:</u>		
Freehold land and buildings	1,415	1,452
Quoted securities and cash	2,656	2,950
	<u>4,071</u>	<u>4,402</u>
<u>Gains/(losses) on total return investment assets:</u>		
Freehold land and buildings	1,178	(4,148)
Quoted securities and cash	27,057	(1,918)
	<u>28,235</u>	<u>(6,066)</u>
<u>Investment management costs in respect of:</u>		
Freehold land and buildings	(346)	(558)
Quoted securities and cash	(369)	(349)
	<u>(715)</u>	<u>(907)</u>
Total return for the year	31,591	(2,571)
Transfer to income and expenditure reserve (note 4a)	(6,124)	(5,757)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 22)	<u>25,467</u>	<u>(8,328)</u>

Notes to the Accounts

As at 30 June 2021

5. OTHER INCOME

	2021	2020
	£000	£000
Tourist admissions and shop sales	172	1,987
Chapel and choir	202	274
HMRC Job Retention Scheme grant	744	510
Other income	64	87
	<hr/>	<hr/>
Total	1,182	2,858
	<hr/> <hr/>	<hr/> <hr/>

6. EDUCATION EXPENDITURE

	2021	2020
	£000	£000
Teaching	2,511	2,528
Tutorial	646	689
Admissions - General	408	442
Admissions - Access and Widening Participation	806	829
Research	1,089	1,297
Scholarships and awards	1,055	983
Other educational facilities	526	547
	<hr/>	<hr/>
Total	7,041	7,315
	<hr/> <hr/>	<hr/> <hr/>

7. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE

	2021	2020
	£000	£000
Accommodation		
College members	4,088	4,097
Third parties	1,044	1,043
Catering		
College members	1,069	1,438
Third parties	992	999
	<hr/>	<hr/>
Total	7,193	7,577
	<hr/> <hr/>	<hr/> <hr/>

8. SCHOOL EXPENDITURE

	2021	2020
	£000	£000
Staff costs	4,495	4,382
Other expenditure	1,024	1,075
Depreciation	402	409
	<hr/>	<hr/>
Total	5,921	5,866
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

As at 30 June 2021

9. OTHER EXPENDITURE

	2021 £000	2020 £000
Investment management costs	832	1,043
Loan interest	666	666
Tourist admission and shop expenditure	404	670
Chapel expenditure	1,029	1,143
Development	128	151
FRS 102 pension provision	(75)	(885)
Other expenditure	155	176
	<hr/>	<hr/>
Total	3,139	2,964
	<hr/> <hr/>	<hr/> <hr/>
Included within other costs is auditors' remuneration as follows:		
Fees payable to the College's auditors for the audit of the College's annual accounts	31	31
Fees payable to the College's auditors for the audit of the College's subsidiaries	9	9
	<hr/>	<hr/>
Total fees payable	40	40
	<hr/> <hr/>	<hr/> <hr/>

10. ANALYSIS OF EXPENDITURE BY ACTIVITY

2020/21	Staff costs £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	3,343	3,000	698	7,041
Accommodation, catering and conferences	3,221	1,847	2,125	7,193
School	4,495	1,024	402	5,921
Other	947	2,034	158	3,139
Contribution under Statute G,II	-	101	-	101
	<hr/>	<hr/>	<hr/>	<hr/>
	12,006	8,006	3,383	23,395
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2019/20	Staff costs £000	Other operating expenses £000	Deprecia- tion £000	Total £000
Education	3,307	3,326	682	7,315
Accommodation, catering and conferences	3,446	2,055	2,076	7,577
School	4,382	1,075	409	5,866
Other	298	2,512	154	2,964
Contribution under Statute G,II	-	142	-	142
	<hr/>	<hr/>	<hr/>	<hr/>
	11,433	9,110	3,321	23,864
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The above expenditure includes £413k as the cost of fundraising (2019/20: £461k).

Notes to the Accounts

As at 30 June 2021

11. STAFF EXPENDITURE

	College fellows £000	Non- academic £000	School £000	Total 2021 £000	Total 2020 £000
Staff costs					
Salaries and wages	1,694	4,642	3,478	9,814	10,112
National Insurance	124	384	333	841	825
Pension contributions (see note 27)	192	474	685	1,351	496
	<u>2,010</u>	<u>5,500</u>	<u>4,496</u>	<u>12,006</u>	<u>11,433</u>

Average staff numbers	No. of Fellows	FTE non- academic staff	FTE school staff.
2020/21	<u>98</u>	<u>172</u>	<u>98</u>
2019/20	<u>105</u>	<u>185</u>	<u>97</u>

At the balance sheet date there were 130 members of the Governing Body. During the year the average number receiving remuneration was the 98 shown above.

The number of officers or employees of the College, including Head of House and School, who received remuneration (including salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided gross of any salary sacrifice arrangements) in the following ranges were:

	2021	2020
£100,000-£109,999	-	1
£110,000-£119,999	1	-
£120,000-£129,999	2	2
£130,000-£139,999	1	-
	<u>4</u>	<u>3</u>

	2021 £000	2020 £000
During the year remuneration paid to key management personnel in their capacity as College Fellows were:		
Key management personnel aggregated remuneration	<u>633</u>	<u>632</u>

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

Notes to the Accounts

As at 30 June 2021

12. FIXED ASSETS

a) CONSOLIDATED

Cost	Freehold		Asset in Course of Construction	Plant Furniture and equipment	Computer Equipment	Group 2021 £000	Group 2020 £000
	Land	Buildings					
At 1 July 2020	66,885	107,456	10,112	44,457	1,810	230,720	214,952
Additions	-	1,407	17,401	169	121	19,098	15,781
Disposals	-	-	-	-	-	-	(13)
Revaluation in year	-	-	-	-	-	-	-
Transfer from assets in construction	-	-	-	-	-	-	-
At 30 June 2021	66,885	108,863	27,513	44,626	1,931	249,818	230,720
Depreciation							
At 1 July 2020	-	8,047	-	11,679	1,568	21,294	17,984
Charge for the year	-	1,406	-	1,908	69	3,383	3,321
Disposals	-	-	-	-	-	-	(11)
At 30 June 2021	-	9,453	-	13,587	1,637	24,677	21,294
Net book value – Group	66,885	99,410	27,513	31,039	294	225,141	209,426
Net book value is represented by;							
College	66,885	88,286	27,513	30,607	231	213,522	197,439
School	-	11,124	-	432	63	11,619	11,987
Total	66,885	99,410	27,513	31,039	294	225,141	209,426

b) COLLEGE

Cost	Freehold		Asset in Course of Construction	Plant Furniture and equipment	Computer Equipment	College 2021 £000	College 2020 £000
	Land	Buildings					
At 1 July 2020	66,885	107,458	10,112	44,240	1,733	230,428	214,662
Additions	-	1,408	17,401	165	119	19,093	15,779
Disposals	-	-	-	-	-	-	(13)
Revaluation in year	-	-	-	-	-	-	-
Transfer from assets in construction	-	-	-	-	-	-	-
At 30 June 2021	66,885	108,866	27,513	44,405	1,852	249,521	230,428
Depreciation							
At 1 July 2020	-	8,047	-	11,577	1,490	21,114	17,834
Charge for the year	-	1,406	-	1,889	68	3,363	3,291
Disposals	-	-	-	-	-	-	(11)
At 30 June 2021	-	9,453	-	13,466	1,558	24,477	21,114
Net book value - College	66,885	99,413	27,513	30,939	294	225,044	209,314
Net book value is represented by;							
College	66,885	88,289	27,513	30,507	231	213,425	197,327
School	-	11,124	-	432	63	11,619	11,987
Total	66,885	99,413	27,513	30,939	294	225,044	209,314

Notes to the Accounts

As at 30 June 2021

12. FIXED ASSETS (continued)

- c) The insured value of freehold land and buildings as at 30 June 2021 was £305 million (£296 million at 30 June 2020).

13. HERITAGE ASSETS

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2006 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous five years were as follows:

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Balance at beginning of year	1,481	1,481	1,466	1,466	1,466	1,446
Acquisitions purchased with specific donations	-	-	-	-	-	-
Acquisitions purchased with College funds	-	-	15	-	-	20
Total cost of acquisitions purchased	-	-	15	-	-	20
Balance at end of year	1,481	1,481	1,481	1,466	1,466	1,466

Notes to the Accounts

As at 30 June 2021

14. INVESTMENTS ASSETS

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Balance at beginning of year	174,092	174,092	196,778	196,778
Additions	20,640	20,640	28,610	28,610
Disposals	(25,271)	(25,271)	(44,490)	(44,490)
Gain/(loss)	27,345	27,345	(6,675)	(6,675)
Decrease in cash balances held	(661)	(661)	(131)	(131)
	<u>196,145</u>	<u>196,145</u>	<u>174,092</u>	<u>174,092</u>
Balance at end of year	<u>196,145</u>	<u>196,145</u>	<u>174,092</u>	<u>174,092</u>
Represented by:				
Quoted securities and unit trusts	148,538	148,538	121,457	121,457
Quoted securities – fixed interest	1,906	1,906	5,139	5,139
Freehold land and buildings	31,507	31,507	31,901	31,901
Investment in subsidiary undertakings	-	-	-	-
Unlisted securities	6,203	6,203	7,288	7,288
Cash with fund managers	4,398	4,398	4,719	4,719
College joint equity scheme	2,379	2,379	2,374	2,374
Literary royalties	1,214	1,214	1,214	1,214
Total	<u>196,145</u>	<u>196,145</u>	<u>174,092</u>	<u>174,092</u>

Subsidiary Undertakings

At 30 June 2021, Kings College held an investment in the following companies:

	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
King's College Cambridge Enterprises Ltd	Ordinary	100%	United Kingdom	Provision of conference facilities
KCS Facilities Ltd	Ordinary	100%	United Kingdom	Provision of sports hall facilities
King's College Cambridge Developments Ltd	Ordinary	100%	United Kingdom	Provision of development facilities

15. TRADE AND OTHER RECEIVABLES

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Members of the College	53	53	60	60
Trade debtors	269	251	277	181
Amounts due from subsidiary companies	-	5,464	-	5,488
Other debtors	1,785	1,723	1,811	1,552
	<u>2,107</u>	<u>7,491</u>	<u>2,148</u>	<u>7,281</u>

Notes to the Accounts

As at 30 June 2021

16. CASH AND CASH EQUIVALENTS

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Bank deposits	73	73	70	70
Current accounts	4,438	2,943	9,683	8,087
Cash in hand	5	5	5	5
	<u>4,516</u>	<u>3,021</u>	<u>9,758</u>	<u>8,162</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Bank loan	205	205	205	205
Members of the College	134	134	127	127
Trade creditors	647	587	528	411
Accruals and deferred income	3,014	1,963	1,849	1,737
Social security, pension and taxes	242	242	265	265
University fees	98	98	655	655
Contribution to Colleges fund	101	101	142	142
Amounts due to subsidiary companies	-	965	-	72
Other creditors	2,090	2,081	2,075	2,063
	<u>6,531</u>	<u>6,376</u>	<u>5,846</u>	<u>5,677</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Project Tintagel loan	15,000	15,000	15,000	15,000
Interest-free loan from a donor	2,000	2,000	2,000	2,000
School bank loan	1,179	1,179	1,385	1,385
	<u>18,179</u>	<u>18,179</u>	<u>18,385</u>	<u>18,385</u>

In 2014 the College borrowed from institutional investors (Project Tintagel loan), collectively with other Colleges. The College's share was £15 million. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges.

In 2018 the College took out a bank loan of £2 million on behalf of the School to help fund the building of the Sports Centre. The loan is to be repaid over 10 years at a fixed interest rate of 2.99%. The balance falling due after more than one year at 30 June 2021 was £1,179,487.

Notes to the Accounts

As at 30 June 2021

19. PENSION PROVISIONS

	CCFPS £000	USS £000	Total 2021 £000	Total 2020 £000
Balance at beginning of year	(3,990)	(1,373)	(5,363)	(5,951)
Movement in year:				
Current service cost	-	-	-	-
Contributions paid by the College	158	-	158	157
Change in expected contribution	-	166	166	1,026
Finance cost	(81)	(10)	(91)	(141)
Actuarial gains recognised in statement of comprehensive income and expenditure	1,637	-	1,637	(454)
Balance at end of year	<u>(2,276)</u>	<u>(1,217)</u>	<u>(3,493)</u>	<u>(5,363)</u>

20. ENDOWMENTS

Group and College	Restricted Permanent Endowments 2021 £000	Unrestricted Permanent Endowments 2021 £000	Total 2021 £000	Total 2020 £000
	Balance at beginning of year:			
Capital	35,574	60,357	95,931	100,380
New donations and endowments	91	-	91	283
Increase in market value of investments	4,731	7,260	11,991	(4,732)
Transfer from General Reserves	(49)	-	(49)	-
Balance at end of year	<u>40,347</u>	<u>67,617</u>	<u>107,964</u>	<u>95,931</u>
Analysis by type of purpose:				
Student support	26,628	-	26,628	23,368
Fellowship	5,397	-	5,397	4,743
Chapel and choir	3,822	-	3,822	3,433
Other funds	4,500	-	4,500	4,030
General endowments	-	67,617	67,617	60,357
	<u>40,347</u>	<u>67,617</u>	<u>107,964</u>	<u>95,931</u>

Notes to the Accounts

As at 30 June 2021

20. ENDOWMENTS (continued)

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Total 2021 £000	Total 2020 £000
Analysis by asset:				
Property	6,480	10,862	17,342	17,580
Investments	32,962	55,239	88,201	75,751
Cash	905	1,516	2,421	2,600
	<u>40,347</u>	<u>67,617</u>	<u>107,964</u>	<u>95,931</u>

21. RESTRICTED RESERVES

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2021 £000	Total 2020 £000
Group and College					
Balance at beginning of year	12,649	9,358	42,566	64,573	64,016
Comprising:					
Capital	-	-	42,566	42,566	55,782
Unspent income	12,649	9,358	-	22,007	8,234
Balance at beginning of year	12,649	9,358	42,566	64,573	64,016
New grants	5,011	-	-	5,011	686
New donations	-	1,369	1,734	3,103	1,632
Endowment return transferred	-	1,347	1,269	2,616	2,667
Other income	-	246	202	448	445
Increase/(decrease) in market value of investments	-	395	4,835	5,230	(1,990)
Expenditure	-	(2,000)	(2,111)	(4,111)	(2,883)
Capital grants utilised	(13,081)	-	-	(13,081)	-
Transfer	-	(489)	538	49	-
Balance at end of year	<u>4,579</u>	<u>10,226</u>	<u>49,033</u>	<u>63,838</u>	<u>64,573</u>
Comprising:					
Capital	-	-	49,033	49,033	42,566
Unspent income	4,579	10,226	-	14,805	22,007
Balance at end of year	<u>4,579</u>	<u>10,226</u>	<u>49,033</u>	<u>63,838</u>	<u>64,573</u>

Notes to the Accounts

As at 30 June 2021

21. RESTRICTED RESERVES (continued)

Analysis of other restricted funds/donations by type of purpose:	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2021 £000	Total 2020 £000
Student support	-	7,725	15,192	22,917	20,017
Fellowship	-	907	7,488	8,395	7,542
Chapel and choir	-	1,265	18,775	20,040	18,150
Buildings	4,579	-	2,950	7,529	15,282
Other funds	-	329	4,628	4,957	3,582
	<u>4,579</u>	<u>10,226</u>	<u>49,033</u>	<u>63,838</u>	<u>64,573</u>

22. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Memorandum of Unapplied Total Return	2021 £000	2020 £000
Within reserves the following amounts represent the Unapplied Total Return of the College:		
Unapplied total return at the beginning of year	87,538	95,866
Unapplied total return for the year (note 4b)	25,467	(8,328)
	<u>113,005</u>	<u>87,538</u>

23. RECONCILIATION AND ANALYSIS OF NET DEBT

	At 30 June 2020 £000	Cash Flows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2021 £000
Cash and cash equivalents	9,758	(5,242)	-	-	4,516
Borrowings: Amount falling due within one year:					
Secured loans	(205)	-	-	-	(205)
Borrowings: Amount falling due after more than one year:					
Secured loans	(18,385)	206	-	-	(18,179)
Total net debt	<u>(8,832)</u>	<u>(5,036)</u>	<u>-</u>	<u>-</u>	<u>(13,868)</u>

Notes to the Accounts

As at 30 June 2021

24. FINANCIAL INSTRUMENTS

	2021 £000	2020 £000
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments (note 14)	150,444	126,596
Other equity investments (note 14)	6,203	7,288
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents (note 14 and 16)	8,914	14,477
Other equity investments (note 14)	2,379	2,374
Other debtors (note 15)	1,255	1,861
Financial liabilities		
Financial liabilities measured at amortised cost		
Bank overdraft		
Loans (note 17 and 18)	16,384	16,590
Trade creditors (note 17)	647	528
Other creditors (note 17)	4,662	5,263

25. CAPITAL COMMITMENTS

Authorised future capital expenditure amounted to £16,392,000 at 30 June 2021 including works on Croft Gardens, Old Garden, Grasshopper Roof, Spalding, Keynes and the Chapel (£19,539,000 at 30 June 2020). In addition, the College has committed to invest a further £1.37 million in Private Equity funds.

26. FINANCIAL COMMITMENTS

At 30 June 2021 and 2020 the College had no annual commitments under non-cancellable operating leases.

27. PENSION SCHEMES

The College and its subsidiary undertakings participate in four defined benefit schemes and one defined contribution scheme.

The total pension cost for the year was as follows:

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (continued)

	2021 £000	2020 £000
University Superannuation Scheme (includes FRS 102)	565	(187)
Cambridge Colleges' Federated Pension Scheme (includes FRS 102)	77	53
Teachers' Pension Scheme	487	406
Church of England Funded Pension Scheme	19	24
NOW: Pensions	203	200
	1,351	496

University Superannuation Scheme (USS)

The total cost charged to the statement of comprehensive income and expenditure is £565k (2019/20 -£187k).

As at the 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since the year end the valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022.

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (US\$ continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows

Mortality base table	2018 valuation Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 97.6% of SAPS SINMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions.

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary	n/a	n/a
Pension increases	2.7%	2.7%

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (continued)

Cambridge Colleges Federation Pension Scheme (CCFPS)

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

The liabilities of the plan have been calculated, at 30 June 2021, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2021 % p.a.	2020 % p.a.
Discount rate	1.80	1.45
RPI assumption	3.40	3.10
CPI assumption	2.60	2.20

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% p.a, a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% p.a, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.7 years (previously 25.6 years).

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

	Male	Female
Deferred Members – Option 1 Benefits	63	62

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

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CCFPS continued)

The amounts recognised in the Balance Sheet as at 30 June 2021 (with comparative figures as at 30 June 2020) are as follows:

	2021	2020
	£000	£000
Present value of plan liabilities	(16,597)	(17,960)
Market value of plan assets	14,320	13,969
	<u> </u>	<u> </u>
Net defined benefit asset/(liability)	<u>(2,277)</u>	<u>(3,991)</u>

The amounts to be recognised in Profit and Loss for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows.

	2021	2020
	£000	£000
Current service cost & ongoing expenses	23	23
Interest on net defined benefit (asset)/liability	58	81
	<u> </u>	<u> </u>
Total	<u>81</u>	<u>104</u>

Changes in the present value of the plan liabilities for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£000	£000
Present value of plan liabilities at beginning of period	17,960	17,123
Current service cost (including Employee contributions)	-	-
Benefits paid	(855)	(750)
Interest on plan liabilities	254	377
Actuarial (gains)/losses	(762)	1,210
	<u> </u>	<u> </u>
Present value of plan liabilities at end of period	<u>16,597</u>	<u>17,960</u>

Changes in the fair value of the plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£000	£000
Market value of plan assets at beginning of period	13,969	13,533
Contributions paid by the College	158	157
Employee contributions	-	-
Benefits paid	(886)	(780)
Interest on plan assets	196	296
Return on assets, less interest included in Profit & Loss	883	763
	<u> </u>	<u> </u>
Market value of plan assets at end of period	<u>14,320</u>	<u>13,969</u>
	<u> </u>	<u> </u>
Actual return on plan assets (including interest)	<u>1,079</u>	<u>1,059</u>

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CCFPS continued)

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
Equities	48%	49%
Bonds & Cash	42%	41%
Property	10%	10%
Total	100%	100%

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Actual return less expected return on plan assets	883	763
Experience gains and losses arising on plan liabilities	427	198
Changes in assumptions underlying the present value of plan liabilities	327	(1,415)
Actuarial gain/(loss) recognised in OCI	<u>1,637</u>	<u>(454)</u>

Movement in surplus/(deficit) during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Surplus/(deficit) in plan at beginning of year	(3,991)	(3,590)
Recognised in Profit and Loss	(81)	(104)
Contributions paid by the College	158	157
Actuarial gain/(loss) recognised in OCI	1,637	(454)
Surplus/(deficit) in plan at the end of the year	<u>(2,277)</u>	<u>(3,991)</u>

Funding Policy

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

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CCFPS continued)

The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £136,777 p.a. payable for the period to 30 June 2021 only.

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

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme. This is a statutory, contributory, final salary and career average, unfunded scheme and as such it is not possible to identify the College's share of the underlying assets and liabilities of the scheme. The College contributes 23.68% of teachers' gross salary for those in the scheme while employee contributions are tiered and as from April 2020 the range was 7.4% to 11.7%.

For schemes such as the Teachers' Pension Scheme, FRS102 requires the College to account for pension costs on the basis of contributions actually payable to the scheme in the year. The total pension cost for the College was £487,000 (2019/20 £406,000).

Church of England Funded Pensions Scheme (CEFPS)

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CEFPS continued)

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.
- RPI inflation of 3.4% p.a. (and pension increases consistent with this).
- Increase in pensionable stipends of 3.4% p.a.
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter” of 7 and an initial addition to mortality improvements of 0.5% p.a.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below.

	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2020 £’000	2019 £’000
Balance sheet liability at 1 July	13	39
Deficit contribution paid	(5)	(6)
Interest cost	-	1
Remaining change to the balance sheet liability*	3	(21)
Balance sheet liability at 30 June	11	13

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

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CEFPS continued)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	2020	2019	2018
	% p.a.	% p.a.	% p.a.
Discount rate	0.2	1.1	2.1
Price inflation	3.1	2.8	3.1
Increase to total pensionable payroll	1.6	1.3	1.6

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

NOW: Pensions

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £203,000 (2019/20 £200,000).

28. CONTINGENT LIABILITIES

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

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of 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.

Notes to the Accounts

As at 30 June 2021

29. RELATED PARTY TRANSACTIONS (continued)

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 Fellows' Remuneration Committee.

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

From	To	2021 Number	2020 Number
£0	£10,000	13	8
£10,001	£20,000	1	2
£20,001	£30,000	1	-
£30,001	£40,000	1	2
£40,001	£50,000	2	-
£50,001	£60,000	-	-
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	-	-
£90,001	£100,000	-	1
£100,001	£110,000	1	1
£110,001	£120,000	-	-
£120,001	£130,000	-	-
	Total	19	14

The total Trustee salaries were £300,099 for the year (2019/20 £301,953)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £71,428 for the year (2019/20 £78,961)

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

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

Notes to the Accounts

As at 30 June 2021

30. POST BALANCE SHEET EVENT

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £2,016,580 in the provision for the obligation to fund the deficit on the USS pension which would instead be £3,232,600. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £4,061,427 in the provision for the obligation to fund the deficit on the USS pension which would instead be £5,277,447.