



KING'S COLLEGE

CAMBRIDGE

Annual Report and Financial Statements

for the year ended

30 June 2024

Registered Charity number 1139422

Contents

| | Page |
|--|------|
| Reference and administrative information | 2 |
| Trustees' report | 4 |
| Overview | 4 |
| Activities and achievements | 6 |
| Financial review | 9 |
| Principal risks and uncertainties | 12 |
| Responsibilities of the College Council | 13 |
| Statement of internal control | 13 |
| Outlook | 14 |
| Independent Auditor's Report to the Governing Body of King's College | 15 |
| Statement of Principal Accounting Policies | 19 |
| Statement of Comprehensive Income and Expenditure | 28 |
| Statement of Changes in Reserves | 29 |
| Consolidated and College Balance Sheets | 30 |
| Consolidated Cash Flow Statement | 31 |
| Notes to the Financial Statements | 32 |

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, 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 |

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 Pervuez 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 Omitowaju |
| 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 Roulet |
| 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.

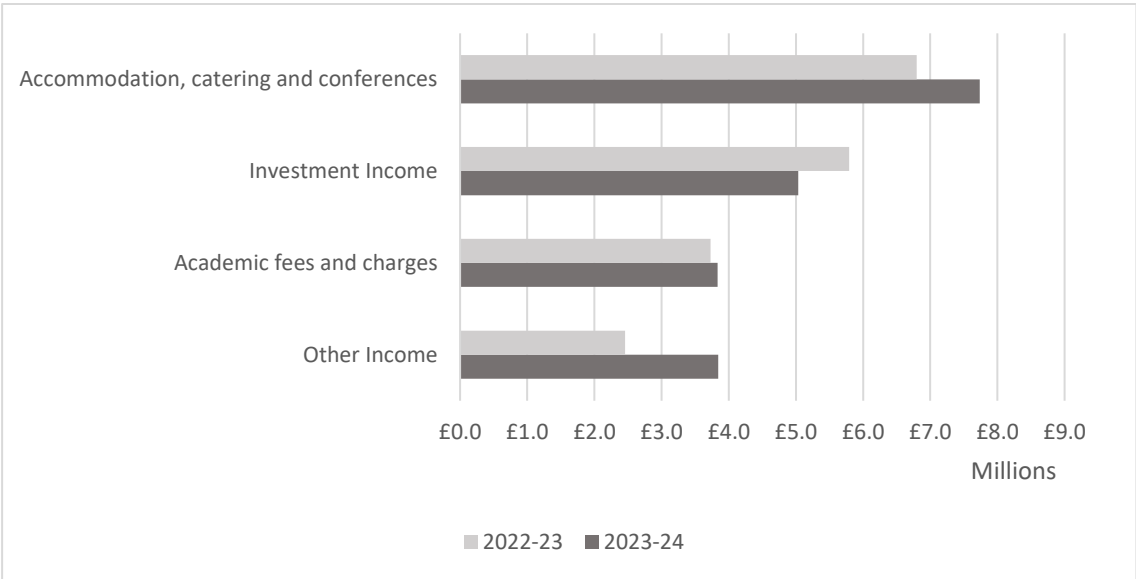
The financial statements are produced by the College having regard to the Recommended Cambridge College Account (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners.

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.

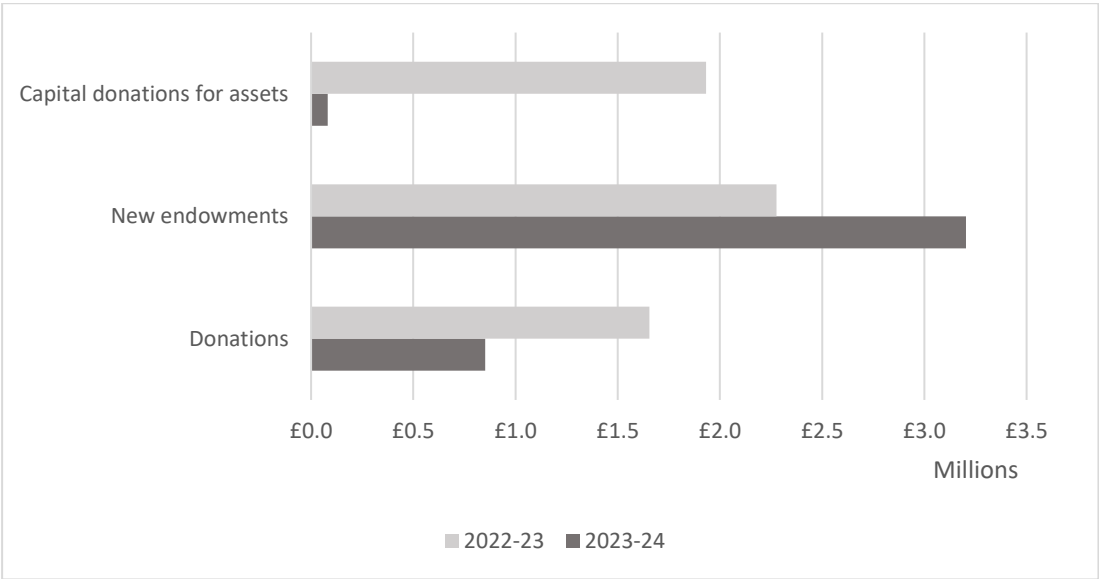


Income from donations and endowments

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

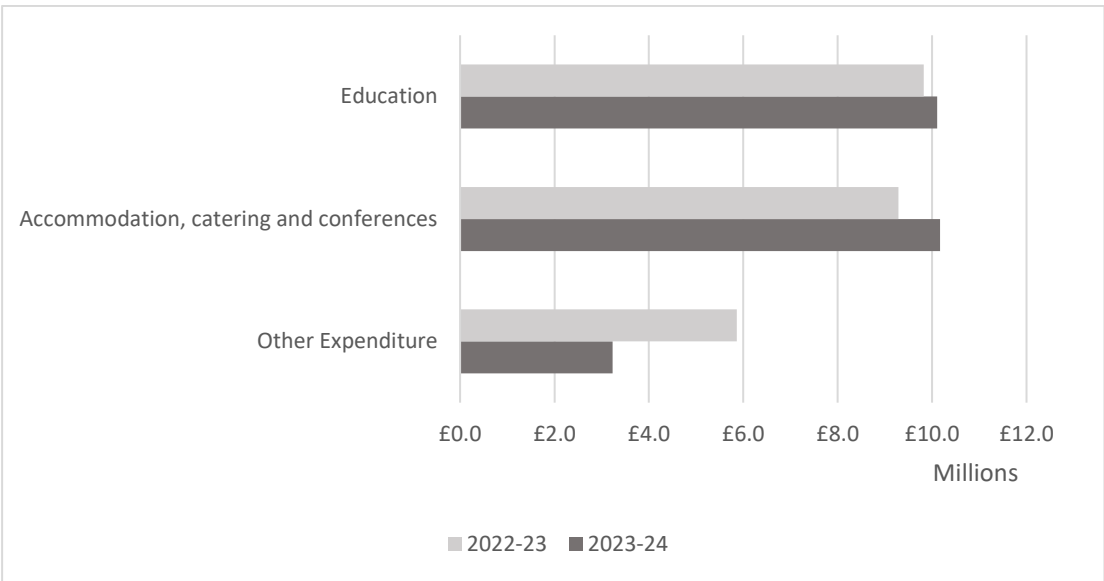
income from donations and endowments was below the College’s long-term run rate, in part reflecting several years of historically high donations in support of major capital works. The College’s participation rate is 12% of the non-resident members for whom it has contact details. Fundraising costs during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



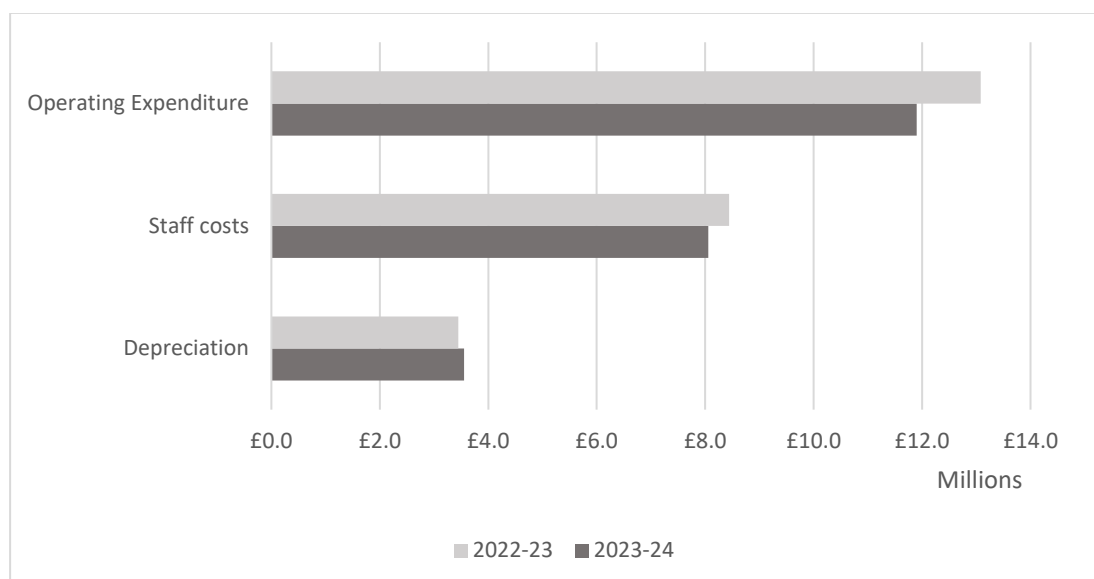
King’s College is committed to best practice in relation to all fundraising activities, which are carried out by an in-house Development team who are subject to the scrutiny of the Development Committee and College Council. The College did not engage any third parties to carry out fundraising activities 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 in 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 | | 465,753 | 465,660 | 449,345 | 449,272 |
| 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 | | 13,660 | 13,251 | 10,242 | 9,648 |
| CREDITORS: amounts falling due within one year | 15 | (7,678) | (7,184) | (8,645) | (7,982) |
| NET CURRENT ASSETS | | 5,982 | 6,067 | 1,597 | 1,666 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 471,735 | 471,727 | 450,942 | 450,938 |
| CREDITORS: amounts falling due after more than one year | 16 | (15,564) | (15,564) | (15,769) | (15,769) |
| Provisions | | | | | |
| Pension provisions | 17 | (1,841) | (1,841) | (3,992) | (3,992) |
| TOTAL NET ASSETS | | 454,330 | 454,322 | 431,181 | 431,177 |
| 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 |
| | | 189,777 | 189,777 | 170,624 | 170,624 |
| 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 |
| | | 264,553 | 264,545 | 260,557 | 260,553 |
| TOTAL RESERVES | | 454,330 | 454,322 | 431,181 | 431,177 |

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 £000 | 2023 £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 £000 | 2023 £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 |
| Total fee income | 3,476 | 3,417 |
| Other academic income | 60 | 39 |
| Cambridge Bursary Scheme | 299 | 271 |
| Total | 3,835 | 3,727 |

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

| | 2024 £000 | 2023 £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 |
| Total | 7,738 | 6,796 |

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) | <u>(6,204)</u> | <u>(6,123)</u> |
| 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 | 3,841 | 2,456 |
| | <hr/> | <hr/> |

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 | 10,109 | 9,820 |
| | <hr/> | <hr/> |

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 | 10,168 | 9,286 |
| | <hr/> | <hr/> |

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 |
| | <hr/> | <hr/> |
| Total | 5,156 | 6,226 |
| | <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 | 40 | 42 |
| Fees payable to the College's auditors for the audit of the College's subsidiaries | 11 | 9 |
| | <hr/> | <hr/> |
| Total fees payable | 51 | 51 |
| | <hr/> | <hr/> |

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 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 8,057 | 11,902 | 3,552 | 23,511 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| 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 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 8,441 | 13,081 | 3,445 | 24,967 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

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>5</u> | <u>4</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 | <u>739</u> | <u>616</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.

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 | <u>797</u> | <u>(2,004)</u> | <u>(1,207)</u> | <u>855</u> | <u>(557)</u> | <u>299</u> |

Notes to the Financial Statements

10. FIXED ASSETS

a) CONSOLIDATED

| | <u>Freehold</u> | <u>Buildings</u> | <u>Asset in Course of Construction</u> | <u>Plant, Furniture and equipment</u> | <u>Computer Equipment</u> | Group 2024 £000 | Group 2023 £000 |
|--|-----------------|------------------|--|---|-------------------------------|--------------------------------|--------------------------------|
| Cost | <u>Land</u> | | | | | | |
| 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 | <u>83,998</u> | <u>111,295</u> | <u>1,788</u> | <u>55,810</u> | <u>1,279</u> | <u>254,170</u> | <u>247,692</u> |
| 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 | <u>83,998</u> | <u>108,681</u> | <u>1,788</u> | <u>50,599</u> | <u>508</u> | <u>245,574</u> | <u>242,591</u> |
| Net book value – 2023 | <u>83,998</u> | <u>100,148</u> | <u>9,209</u> | <u>48,763</u> | <u>473</u> | <u>242,591</u> | |

b) COLLEGE

| | <u>Freehold</u> | <u>Buildings</u> | <u>Asset in Course of Construction</u> | <u>Plant, Furniture and equipment</u> | <u>Computer Equipment</u> | College 2024 £000 | College 2023 £000 |
|--|-----------------|------------------|--|---|-------------------------------|----------------------------------|----------------------------------|
| Cost | <u>Land</u> | | | | | | |
| 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 | <u>83,998</u> | <u>111,304</u> | <u>1,788</u> | <u>55,531</u> | <u>1,191</u> | <u>253,813</u> | <u>247,374</u> |
| 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 | <u>83,998</u> | <u>108,692</u> | <u>1,788</u> | <u>50,501</u> | <u>501</u> | <u>245,481</u> | <u>242,518</u> |
| Net book value - 2023 | <u>83,998</u> | <u>100,157</u> | <u>9,209</u> | <u>48,687</u> | <u>467</u> | <u>242,518</u> | |

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 £000 | 2023 £000 | 2022 £000 | 2021 £000 | 2020 £000 | 2019 £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 | 142 | 215 | - | - | - | 15 |
| Balance at end of year | 1,839 | 1,696 | 1,481 | 1,481 | 1,481 | 1,481 |

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 | 218,340 | 218,340 | 205,058 | 205,058 |
| 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 | 218,340 | 218,340 | 205,058 | 205,058 |

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 |
| | 4,273 | 10,177 | 3,230 | 9,120 |

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 |
| | <u>45,085</u> | <u>75,060</u> | <u>120,145</u> | <u>107,942</u> |

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 | <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>-</u> | <u>11,392</u> | <u>9,763</u> |
| 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 | <u>899</u> | <u>11,118</u> | <u>57,615</u> | <u>69,632</u> | <u>62,682</u> |
| Comprising: | | | | | |
| Capital | - | - | 57,615 | 57,615 | 51,290 |
| Unspent income | <u>899</u> | <u>11,118</u> | <u>-</u> | <u>12,017</u> | <u>11,392</u> |
| Balance at end of year | <u>899</u> | <u>11,118</u> | <u>57,615</u> | <u>69,632</u> | <u>62,682</u> |

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 |
|--|----------------|----------------|
| 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 £000 | 2023 £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 (US\$ 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 |
| 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>175</u> | <u>(370)</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>(1,841)</u> | <u>(1,916)</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.