

THE MASTER AND FELLOWS OF DARWIN COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1141105

Details

Other names	DARWIN COLLEGE, CAMBRIDGE
Status	Registered
Legal form	Other
Registered	2011-04-04
Register	View on the Charity Commission register

Contact

Address	Darwin College Cambridge CB3 9EU
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Website	www.darwin.cam.ac.uk

Activities

Objects: THE ADVANCEMENT OF EDUCATION LEARNING AND RESEARCH IN OUR UNIVERSITY OF CAMBRIDGE (HEREINAFTER REFERRED TO AS "THE UNIVERSITY"; AND THE FOUNDATION OF A NEW GRADUATE COLLEGIATE SOCIETY IN THE UNIVERSITY TO BE NAMED "DARWIN COLLEGE".

Activities: Darwin College is a higher-education institution incorporated by Royal Charter within the University of Cambridge. Its purpose as a charitable institution is to advance education, learning, and research in the University, and to provide for members a Collegewhere they may work for postgraduate Degrees or carry out postgraduate or other special studies.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups

Geography

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

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£11,924,515	£7,957,708	£90,445,612	60
2024-06-30	£10,014,329	£7,378,206	£86,507,110	57
2023-06-30	£8,295,875	£7,501,063	£81,818,712	56
2022-06-30	£8,087,781	£6,613,255	£81,008,862	52
2021-06-30	£7,343,561	£5,810,858	£79,852,725	51

Trustees

Name	Role	Appointed
Dr Michael Russell Wheldon Rands	Chair	2020-10-01
Dr Diana Arseni		2025-10-01
Dr Duncan James Needham		2014-12-01
JOHN TANNATT DIX		2014-12-01
Katelyn Taylor		2025-07-16
Liz Pflugbeil		2025-11-19
Mary Skuodas		2025-11-19
PROFESSOR ALAN FRANK BLACKWELL		2020-10-01
PROFESSOR Fiona Eve Karet		2018-10-01
Professor Angela Mary Wood		2024-12-01
Professor Christopher Guy Sandbrook		2024-10-01
Professor Maha Abdelrahman		2025-10-01

Accounts



**DARWIN COLLEGE
CAMBRIDGE**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2025**

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2025

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PRELIMINARY INFORMATION

Body Corporate:

The Master and Fellows of Darwin College in the University of Cambridge

Address:

Silver Street, Cambridge CB3 9EU

Charity Registration Number:

1141105

Charity Trustees:

The College's Trustees for Financial Year 2024-25 were:

Dr M R W Rands	Master
Professor F E Karet	Vice-Master
Professor S Baker	Vice-Master (to 30 November 2024)
Professor A Wood	Vice-Master (from 1 December 2024)
Dr D J Needham	Dean
Mr J T Dix	Bursar
Professor A F Blackwell	
Professor R P Cowburn	(to 30 September 2024)
Professor J B Rowe	
Professor C van Ruymbeke	
Professor C Sandbrook	(from 1 October 2024)
Mr J Bickler	
Ms N Hartley	(to 10 July 2024)
Mr P van der Jagt	(to 10 July 2024)
Mr P Debata	(from 10 July 2024)
Mr S Martinsson	(from 20 November 2024)

Principal Advisers:

Auditors:

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

Bankers:

Barclays Bank plc (Corporate Banking)
Mortlock House
Histon
Cambridge CB4 9DE

Property Managers:

Cheffins, Chartered Surveyors
Clifton House
1 & 2 Clifton Road
Cambridge CB1 7EA

Investment Fund Managers:

Cazenove Capital Management Ltd
12 Moorgate
London EC2R 6DA

University of Cambridge Investment
Management Limited
The Old Schools, Trinity Lane
Cambridge CB2 1TN

REPORT OF THE TRUSTEES

INTRODUCTION

The College

Darwin College was founded in 1964 as the first graduate college in the University of Cambridge. The College was created an Approved Foundation on 29 January 1965, and was incorporated by Royal Charter dated 9 June 1976 as a Body Politic and Corporate under the name and style of "The Master and Fellows of Darwin College in the University of Cambridge". The College is an educational charity. It enjoyed exemption from registration from its foundation until 2010 when changes in charity law required it to become registered with the Charity Commission, which it has been since 4 April 2011. The main College site is at Silver Street, Cambridge, CB3 9EU.

Aims and Objectives of the College

The College's principal object under its Charter is to advance education, learning and research in the University of Cambridge. It pursues this objective by:

- Promoting and fostering excellence in academic education and learning through providing a community of scholarship for its graduate students.
- Creating and nurturing a vibrant and supportive research community for its Fellows, graduate students, other members, and visitors.
- Maintaining and enhancing the endowment, benefactions, buildings, grounds, and facilities of the College for the continuing benefit of current and future generations of members.

The maintenance of the College's financial viability for the present and long term, and of its independence and autonomy within the collegiate university, are consistent with and necessary conditions for the fulfilment of its charitable purposes.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an educational and support base for over 700 post-graduate students, and very occasionally undergraduate-status students in specific disciplines. The education under the Cambridge collegiate system is recognised internationally as being of the very highest standard. Whether through teaching or research or a combination of these, this education challenges and develops students academically, fosters leadership qualities and interpersonal skills, and prepares them to play full and effective roles in society, be this in the UK or in the 75 other countries from which the membership is currently drawn. Although only sixty years old, the College already numbers Nobel prize winners amongst its Fellows and alumni.

In particular, the College provides:

- Physical and technical facilities supporting its students in their individual study regimes, as well as supporting teaching activities in the wider University, and for seminars and a public lecture series of international renown;
- Pastoral, well-being, administrative, and academic support for its students through the Deanery with tutoring and mentoring provided by Fellows; and

- Social, cultural, sporting, musical and recreational facilities, enabling students to balance fully their academic and personal lives, and develop their potential, whilst studying in Cambridge.

The College advances research by:

- Providing currently 20 research fellowships and around 50 post-doctoral research associateships to outstanding researchers in the early stages of their careers; these appointments enable them to develop and focus intensively on their post-doctoral research work, in that crucially formative period prior to their taking on teaching duties in an academic post or research leadership roles elsewhere;
- Demonstrating the value of research degrees for addressing global challenges, and their potential impact on the knowledge economy both in the UK and internationally;
- Supporting the work of all its Fellows by creating and promoting international and interdisciplinary contact both informally and in seminars and lectures;
- Fostering academic networking, and access to and involvement in cutting-edge research, particularly by providing facilities for outstanding academics from other universities all over the world to make extended stays as Visiting Fellows and Visiting Researchers;
- Inducting the next generation of academics and researchers into a research culture which is inclusive and diverse; and
- Offering access to invaluable resources for all members of the College, particularly in the provision and maintenance of a Study Centre and Library, and extensive IT facilities.

Members of, and academic visitors to, the College, both students and Fellows, are the prime beneficiaries. They are directly engaged in education, learning and research and the College's students are the recipients of such direct financial support as the College is able to provide to those of limited financial means. More widely, other beneficiaries include students and academic staff from other Cambridge Colleges and the University of Cambridge. Academics from other higher-education institutions and returning alumni members of the College are given opportunities to undertake interdisciplinary research and establish contacts, attend educational events at the College, and make use of its academic facilities; in parallel, the wider public is encouraged to attend certain educational activities provided by the College such as lectures, seminars and concerts.

These activities serve to reinforce and underpin life-long learning. A particular example is the Annual Darwin College Lecture Series, now in its 40th year, which runs for eight weeks each Lent Term, and attracts audiences of many hundreds drawn from the general public as well as the student and academic community. Since 2007 most of the lectures have been made available online for a global audience, and cumulative downloads to date exceed one million. The theme of the 2025 lectures series was *Codes* which explored the concept from a variety of angles. The lectures are collated, edited and published by the College with Cambridge University Press, and the volumes entitled *Food* (2022) and *Revolution* (2024) are being finalised for publication. The College also has a series of termly public seminars known as the Erasmus Seminars which, in 2024-25, included seminars on *Where to Begin? Replicating the Human Genome*, *Bridging the Trust Gap: Economics, Economists and Public Policy* and *Alzheimer's Disease and Dementia – rhetoric and the evidence base from an epidemiological perspective*.

The College's pursuit of public benefit has been enhanced with the implementation of an Equity Diversity and Inclusion plan which seeks to ensure its policies and practices meet or exceed societal expectations in this area, and through the improvement and professionalisation of its communications function and a relaunch of its communication channels for better engagement with society more widely.

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In fulfilling its charitable purposes of advancing education, learning and research, the College draws on its senior officers such as Master, Vice-Masters, Dean, and Bursar who receive stipends. These serve with other Fellows as charity trustees through being members of the College Council. Other stipendiary senior officers include the Development Director. Any employment and remuneration of the Master and Fellows is undertaken with the intention of furthering the College's aims and such employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through stipends and related benefits is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector. Without the services of its Master and Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

ACHIEVEMENTS AND PERFORMANCE

Academic Results and Student Body Profile

College members graduating in the 2024-25 academic year achieved 120 PhDs and 233 Masters-level degrees (2024: 115 and 219 respectively). Five former students who had graduated in absentia during the COVID-19 pandemic returned to Cambridge to attend celebrations of the award of their degrees.

In the 2024-25 academic year there were 773 student members of the College (for all or part of the year) (2024: 738). Of these 557 were fee-paying post-graduate students (including 27 who paid fees directly to the Judge Business School) and 216 were post-graduate students writing up or under examination (from whom the College receives no fees). The College's fee income in the year, under current arrangements within the collegiate University, is based on its number of fee-paying post-graduate students adjusted to a full-time equivalent, which for the year was 513.78 (2024: 515.28). 50% of fee-paying students were fully funded and 3% partially funded as to their combined graduate fees from sources of which the University or College is aware; the balance were self-funded or funded from sources of which the College is not formally aware.

Financial Overview

The College's income comprises academic fees, charges for student accommodation and catering services, investment income, and individual and corporate donations and bequests. Its expenditure comprises the costs of education, of providing and maintaining student residences and catering, of investment and property management, and of development fundraising and alumni relations; and expenditure includes all staff costs and depreciation. In the 2024-25 year the costs of educational, accommodation and catering provision and general operations exceeded the associated unrestricted income from fees, rents and charges giving a deficit of £475,961 (2024: deficit of £441,487). The College relies upon donations and income from its endowment to turn this operational deficit into a surplus which can be invested and expended over time to maintain and improve its services and facilities. The College made a surplus on its unrestricted activities (after endowment income, donations, grants but before other gains and losses) of £1,012,173 (2024: £911,308). Donations of £2,203,240 (2024: £373,189) and a grant from the Colleges Fund of £582,449 (2024: £848,000) were gratefully received in the year, and government grants of £191,416 were received for decarbonisation projects. These amounts are mainly subject to use for restricted or endowment purposes. The accounts for the year also include appreciable unrealised capital gains on investments and favourable movements on pension provisions.

The net assets of the College at 30 June 2025 were £90,445,612 (2024: £86,507,110).

The College's restricted and endowment reserves at 30 June 2025 were £35,517,838 having increased in the year from £33,029,753. The restricted reserves comprise £12,612,213 of restricted or trust funds for defined educational purposes and £22,905,625 of endowment funds or general corporate capital funds, the income from which is essential to fund the deficit which would otherwise arise on the College's academic activities and student services and to provide resources for capital and other College projects. The College's unrestricted reserves have increased to £54,927,774 from £53,477,357. This total includes the College's cash reserves and some investment assets, but the great majority of such funds are fixed assets in the form of the College's operational land and buildings. The College's total reserves are reduced by a provision for pension liabilities of £380,254 (2024: £693,697).

The College has outstanding £18,350,122 of unsecured fixed interest rate debt. The repayment of the capital is due in the period 2043-2058. Of this funding £13million has been used to acquire revenue generating operational assets for the College, namely the purchase in 2022 of the 44 flats known as Causewayside on Fen Causeway, Cambridge. The balance is available as part of the funding arrangements for the capital works and buildings renewal projects described below.

Benefactions and Donations

The College is most grateful for donations and bequests (including of royalties), from alumni and from other supporters and organisations. This generosity enables the College to extend and enhance its support for students and Fellows, for its physical estate, and for its charitable activities generally, for example in organising the Darwin College Lecture Series. The fundraising campaign which was publicly launched in September 2024 has secured £11.5m in gifts and pledges towards the target of £60m.

Over the course of the year £2,644,244 (2024: £641,510) was raised. (This amount is the unaudited total of all gifts and pledges made in the year, including amounts not yet recognised in the financial statements). A total of 285 (2024: 540) individual and organisational donors contributed in the year at a variety of levels. The College is immensely grateful to them for their support.

The College spent £397,929 (2024: £294,990) on fundraising and alumni relations in the year. These costs are incurred as the College supports a fast-growing – and global – community of alumni and prepares for the new fundraising campaign. The College invests in communicating with alumni and other supporters through the College magazine, *The Darwinian*, as well as making use of electronic and social media.

The College is registered with Fundraising Regulator and follows its Code of Fundraising Practice. The following information is provided under the Code and in line with Charity Commission guidance. The College raises money through telephone fundraising, direct mail (by post and email) and in person one-to-one meetings. The College employs a professional Director of Development to lead fundraising activity. The work of the Director and development team is overseen by an internal committee and the Director reports directly to the Master of the College. New staff and others involved with fundraising are trained on the Code as part of induction and are required to comply with the Code. There were no compliance issues or complaints about fundraising during the year. The College did not employ any 'on behalf of' fundraising staff or contractors during the year. The College protects vulnerable people and members of the public from undue pressure to make donations and intrusion into their privacy by:

- Training staff involved in fundraising activities about what vulnerabilities might be encountered and how to recognise them;

- Allowing potential donors (usually alumni) to opt-out in advance of any or all fundraising campaigns – through sending email and postal notifications with details of how to inform the College;
- Maintaining contact preferences for alumni on a database and checking this when selecting people to approach to ask for donations;
- Training anyone who asks for donations how to ask and (if during a telephone fundraising call) to ask only once; and
- Not persisting with requests for meetings about fundraising when no response is consistently received after several attempts to make contact.

Endowment and Investment Performance

The College's financial investments are comprised of its invested endowment. The College, as a permanently endowed charity, adopts a long-term time horizon when making investments of its endowment. The College is advised on investment matters, via the Finance Committee, by its fund managers and independent external members co-opted to the Committee.

The return in the year on the College's corporate capital (unrestricted endowment) fund and on its (restricted endowment) trust pool fund was 3.6% net of fees (2024: 10.4%). No withdrawal of invested capital from these funds was required or made in the year. The College accounts for its invested endowment on a total return basis whereby no distinction is made between income and capital return and the College receives into its income and expenditure account a percentage of the total investment assets (currently 3.25%) subject to a smoothing formula over time. The total return transferred to the income and expenditure account for the year was £1,105,486 (2024: £1,079,368). All investment income received is applied in the pursuit of the charitable objects of the College.

The College encourages socially responsible investment, and monitors its investments against environmental, social and governance standards. Under its investment policy it will not invest in entities where: the investment may conflict, or be inconsistent, with primary aims, objectives and activities of the College; the investment might alienate the College's supporters or potential supporters; the investment may be reputationally damaging; the investment is considered by the Trustees to be unethical; or the investment might otherwise hamper the work of the College. In pursuance of this policy the College recognises that climate change is a real and present danger, and encourages debate on the appropriate response by the College to the risks climate change represents. The College seeks to support sustainability, carbon reduction, the development of renewable energy sources, and action to mitigate the effects of adverse climate change. Consequently, its investments are held in funds which are regularly assessed and monitored for their sustainability credentials.

Reserves policy

The College intends to continue to pursue its objectives in perpetuity. It therefore aims to protect and maintain the real value of its permanent corporate and trust capital, and to continue to increase its unrestricted funds and reserves for the long term, whilst seeking an equitable funding balance between the interests and aspirations of present members and those yet to come, and also retaining an ability to cope with sudden unforeseen financial upheavals and to take advantage of unexpected opportunities. Any new donations or bequests to the College are added to the unrestricted funds unless the donor has made it clear that the funds are to be used for a specific purpose.

The College's free reserves stood at the year end at £12,536,112 (2024: £6,066,327), being its unrestricted reserves and long-term debt totalling £73,277,886 less the amount committed to

functional assets (represented by the total of its tangible fixed assets) of £60,741,774. Free reserves provide a notional measure of resources available for general purposes which are not restricted or committed. The College seeks to ensure that its free reserves approximate or exceed one year's expenditure at current levels. Free reserves at the year-end represented 164% of unrestricted expenditure incurred during the year (2024: 85%). Long-term debt is excluded from the calculation on the basis that the College will accrue sufficient additional reserves to repay the debts when due.

Capital Expenditure

The capital expenditure which was incurred during the year arose mainly in connection with the College's ongoing degasification programme. The degasification work at Gwen Raverat House, a 56-bed hostel off Newnham Road, was successfully completed and commissioned. A Public Sector Decarbonisation Fund grant part funded the work which involved replacing the glazing, upgrading insulation and installing air source heat pumps.

Building Renewals and Maintenance

The College's buildings on its main site are mainly eighteenth and nineteenth century with modern additions, and adapted houses and purpose-built student hostels off-domus. The routine maintenance of the buildings is carried out according to a comprehensive long-term rolling maintenance programme which seeks to ensure timely refurbishment, to a standard to minimise unplanned and costly remedial works, carried out within tight budget controls.

The College's two largest off-site owned hostels have been degasified. This work carries with it a significant element of the renewal of services in the buildings and refurbishment of the fabric.

In July 2025 a detailed planning permission was granted for major work across the main site, to decarbonise the provision of heating and hot water using river source heat, to improve the thermal performance of the buildings with improved glazing, insulation, and other fabric upgrades, to completely refit the College kitchens, to improve the circulation and spatial qualities of the Hermitage interior, and to build a new large social space (the Garden Room) under the Hall. Fundraising for the work forms a key element of the fundraising campaign launched in the year. The College has embarked on this first of two phases of works to deliver the overall scheme. The first phase (2025-27) will encompass the building of the Pump House to house the river source heat plant, the underground distribution network, and the fabric improvements to the Rayne Building and Newnham Grange.

Pensions

The College has members of staff in the Universities' Superannuation Scheme (USS), a defined contribution workplace pension scheme, and the Cambridge Colleges' Federated Pension Scheme (CCFPS) (closed to new members).

The College had 19 active USS members at 30 June 2025, although many Fellows will be USS members though their employment by the University. The most recent full USS valuation, as at 31 March 2024, valued the assets of the scheme at £73.1 billion and valued its technical provisions at £65.7 billion, indicating a surplus of £7.4 billion (and a funding ratio of 111%). The College is, taken apart from the University, a very small employer within the scheme. It has considered how to deal with the issues of conflict of interest for Fellows and Trustees should the College wish to take an active part in USS consultations regarding the scheme.

The most recent actuarial review of the CCFPS was as at 30 June 2025. The College's overall benefit funding liability has decreased to £380,254 (2024: £693,697).

Principal Risks and Uncertainties

The main risks and uncertainties facing the College are those connected with the following matters:

- Economic and political factors, including:
 - the availability of sources of funding for graduate study, particularly in the arts and humanities, and particularly following the UK's departure from the European Union;
 - threats to the continuing attractiveness of the University to the diverse global academic elite, whether as applicant students, post-doctoral researchers, or academics;
 - the need to minimise reputational risk through high standards and appropriate policies in areas in which the College might be the focus of political, activist or media attention;
- Social, environmental and health factors, including:
 - increasing societal concerns regarding student mental health and well-being where the College must ensure that its pastoral functions adapt and remain effective;
 - the impact of climate change generally including the pressures associated with the College's need to undertake major and expensive decarbonisation work and meet its net carbon zero commitment by 2032;
 - the rapid pace of technological change, particularly around AI, and the ever-present threats associated with cyber-crime.
- Local and organisational factors, including:
 - the high cost of living in Cambridge for students and staff;
 - issues relating to the City of Cambridge, including a shortage of affordable housing, congestion, and deficiencies in public transport which will add to the challenges of recruiting and retaining College staff and will increase operating costs;
 - the financial and other risks associated with the College undertaking a major programme of capital works and managing the impact of this on the student experience.
 - transition and succession risks during a period of anticipated changes in the College's leadership and senior management.

The College reviews risks generally at an institutional level and at an operational level. Major risks to which the College is or may be exposed from time to time are reviewed regularly by all College committees within their terms of reference, and reported to College Council and Governing Body. A risk register is maintained to monitor, mitigate or remove major risks as they are identified. Operational risks are reviewed at a departmental level and appropriate procedures put in place to monitor and control such risks.

Plans for the future

The Strategic Plan for Darwin College 2022-2032, as approved by College Council and endorsed by the Governing Body in 2022, continued to be implemented and monitored during the year. The Plan sets out five strategic priority areas: strengthening the College's contribution to academic excellence and research impact; fostering a diverse and inclusive College community; enhancing the College estate, facilities and services; expanding and diversifying College revenue; and acting on and promoting solutions to global challenges, including sustainability. The Council carries out an annual review of progress against the goals agreed to achieve progress in each of these five priority areas.

To deliver key elements of the Strategy, a major fundraising campaign was launched in September 2025 with a goal to raise £60 million to support the College. The fundraising campaign will focus on securing support for studentships, the decarbonising and improvements to the estate and strengthening the College's efforts to develop solutions to global challenges. The campaign activity will increase and intensify in the coming period. Work will also continue in College on the implementation of its Equity, Diversity and Inclusion Development Plan.

The commencement of the decarbonisation and improvement works on the main site represents a major step towards the Strategic Plan's goals for the College's estate. The scheme received planning permission from the local authority in September 2025. These works will be a prominent feature of life in College in the coming period, bringing with them both a measure of disruption and excitement for the positive change they signal.

The Governing Body will be electing a new Master to take up office in October 2026, and the College is putting in place plans to ensure a smooth transition.

GOVERNANCE

Corporate Governance

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the management of the College's resources and audit oversight.

The College is a registered charity (Registered Number 1141105) and subject to regulation by the Charity Commission for England and Wales. The College Council provides the trustees of the charity and they are responsible for ensuring compliance with charity law. The Trustees are advised in meeting those duties by a number of Committees, and internal and external professionally qualified advisers. Members of the College Council forming the Trustee Body during the year to 30 June 2025 are indicated at Page 2.

The Principal Officers of the College under Statute are the Master, Vice-Master, Dean, and Bursar, and the holders of these offices during the year are identified on Page 2. Two joint Vice-Masters continue to share the duties of the office, and of whom Professor F E Karet serves as Vice-Master for statutory purposes.

The Governing Body, comprising the Master and Fellows under Titles A, C, D, and E, holds at least six meetings a year, with the November/December meeting being the Annual Meeting.

The College Council comprises the Master, Vice-Masters, Dean, and Bursar ex-officio, four Fellows elected by the Governing Body, and three students. The current Student Association President is a member ex-officio, and two further student members are elected directly by the student body each year. The College Council meets on a regular basis throughout the year and is responsible for the everyday administration of the College in all matters not allocated by Statute to the Governing Body or the Finance Committee. The College Council makes regular reports to each meeting of the Governing Body.

The Finance Committee, composed of the Master, Vice-Master, and Bursar ex-officio, and three Fellows elected by the Governing Body to serve from the beginning of a given academic year, manages the College investments and, with a directly elected student representative, controls and administers the revenues and expenditures in accordance with College Statutes, Ordinances, and the Charities Act.

The membership of the Committee may be reinforced by up to three external members for the consideration of the College's investment business.

It is the specified duty of the Finance Committee to keep under constant review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external auditors; to give initial consideration to reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make periodic formal Reports to the Trustees and Governing Body.

Registers of Interests in a form prescribed by the College's Conflicts of Interest Policy are maintained for the Trustees, and Related Party forms are obtained from the Trustees and senior staff as part of the annual audit. The declaration of interests is a formal agenda item at the beginning of every College meeting.

Statement on Internal Control

The Trustees are responsible for ensuring a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding public and other funds and assets for which the charity holds responsibility, in accordance with College Statutes and Ordinances, and the Charities Act 2006.

The systems of internal control are designed to identify the principal risks bearing on the achievement of aims, objectives and policies, to evaluate the nature and extent of those risks, and to ameliorate and control them efficiently, effectively and economically. The systems of internal control are structured realistically to identify and control most of the risks of failure to achieve aims, objectives and policies, rather than attempt to eliminate risk entirely; it therefore provides reasonable, but not absolute, assurance of effectiveness. These processes were in place for the year ended 30 June 2025 and throughout the period to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the systems of internal control. The Trustees' continual review of the effectiveness of the systems is informed by the work of the various Committees, the Bursar, and the College Officers who hold responsibility for the development and application of an internal control framework and for the investigation and resolution of any comments raised by the external auditors in their post audit and other reports.

General Responsibilities of the Trustees

The Trustees are responsible for the preparation of the Annual Report and financial statements in accordance with applicable law and having regard to United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The College Statutes and Ordinances, and those of the University of Cambridge, require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In preparing these financial statements, the Trustees are required to:

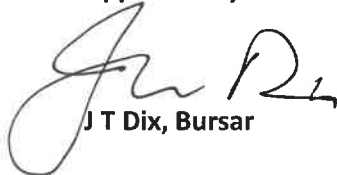
- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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- Prepare the financial statements on a 'going-concern' basis, unless inappropriate to presume that the College would continue in operation.

The Trustees are responsible for keeping accounting records which, at any time, disclose with reasonable accuracy 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.

Approved by the Trustees on 19 November 2025



J T Dix, Bursar

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DARWIN COLLEGE

Opinion

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

In our opinion the financial statements:

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

Basis for Opinion

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

Conclusions relating to Going Concern

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

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

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

Other Information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

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

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the Statutes of the University of Cambridge

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Trustees

As explained more fully in the responsibilities of the Trustees' statement, set out on page 11, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias;
- we used Audit Data Analytics to review the client data for unusual anomalies;
- we performed substantive testing for a sample of donations from Amicus to supporting documentation to ensure that all income was appropriately recognised in the general ledger in the correct period and any restrictions appropriately recognised;

- we also tested a sample of donations around the year end and discussed ongoing legacies with the Development Office to ensure cut off had been correctly applied;
- we performed substantive testing for a sample of conferences from the booking system to invoice to ensure that all income was appropriately recognised in the general ledger in the correct period;

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

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

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

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

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

Use of Our Report

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

PEM Audit Limited

PEM Audit Limited

Registered Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 26/11/2025

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

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

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

Basis of accounting

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

Going Concern

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2025 year-end up to December 2026. The College has also set a detailed budget plan for the financial year 2025-26. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans demonstrate that the College has sufficient resources to meet liabilities as they fall due. The Trustees consider preparation of these financial statements using a going concern basis to be appropriate.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

Restricted 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 are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Other income

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

Cambridge Bursary Scheme

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

The net payment of £3,400 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income	£3,400
Expenditure	£6,800

Tangible fixed assets

Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to 1 July 2014, the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of between 50 and 100 years.

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

Furniture, Fittings and Equipment

Furniture, fittings and equipment in excess of £5,000 are capitalised and depreciated over their estimated useful lives.

Leased assets

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

Investment properties

Investment properties are professionally revalued every 5 years to their fair value at the reporting date. Interim valuations are carried out annually using the Land Registry price index for residential properties and the Frank Knight Intelligence Prime Yield Guide for commercial properties to arrive at the year-end values.

Investments

Fixed asset investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits 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.

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

Taxation

The College is a registered charity (number 1141105) 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.

Pension costs

Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution 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 institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Employment benefits

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

Reserves

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

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

Critical accounting judgements

The preparation of the College's accounts requires the Trustees 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.

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

Income recognition

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

Useful lives of property, plant and equipment

Property plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Retirement benefit obligations

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 26.

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. The Trustees 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 financial statements.

DARWIN COLLEGE
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STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	2025				2024				
	Note	Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
Income									
Academic fees & charges	1	2,847,973	-	-	2,847,973	2,708,722	-	-	2,708,722
Residences & catering	2	4,328,418	-	-	4,328,418	4,194,141	-	-	4,194,141
Investment Income	3	294,450	22,165	1,454,405	1,771,020	80,022	34,015	1,401,630	1,515,667
Endowment return transferred	3	769,764	335,722	(1,105,486)	-	773,609	305,759	(1,079,368)	-
Total income before donations & endowments		8,240,605	357,887	348,919	8,947,411	7,756,494	339,774	322,262	8,418,530
Donations		423,920	1,779,319	-	2,203,239	253,225	119,964	-	373,189
New endowments		-	-	-	-	-	-	-	-
Capital grant from Colleges Fund		-	-	582,449	582,449	-	-	848,000	848,000
Other capital grants for assets		-	191,416	-	191,416	-	374,610	-	374,610
Total income		8,664,525	2,328,622	931,368	11,924,515	8,009,719	834,348	1,170,262	10,014,329
Expenditure									
Education	4	2,826,219	290,414	-	3,116,633	2,785,997	285,131	-	3,071,128
Residences & catering	5	4,091,129	-	-	4,091,129	4,032,404	-	-	4,032,404
Other expenditure	6	735,004	-	14,942	749,946	525,949	-	14,075	540,024
Change in USS pension deficit recovery provision contributions	8, 16	-	-	-	-	(245,939)	(19,411)	-	(265,350)
Total Expenditure		7,652,352	290,414	14,942	7,957,708	7,098,411	265,720	14,075	7,378,206
Surplus/(Deficit) before other gains and losses		1,012,173	2,038,208	916,426	3,966,807	911,308	568,628	1,156,187	2,636,123
Gains/(Losses) on disposal of fixed assets		-	-	-	-	-	-	-	-
Gains/(Losses) on investments		40,584	43,919	(319,053)	(234,550)	353,767	249,929	1,407,040	2,010,736
Surplus/(Deficit) for the year		1,052,757	2,082,127	597,373	3,732,257	1,265,075	818,557	2,563,227	4,646,859
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes		206,244	-	-	206,244	41,539	-	-	41,539
Total comprehensive income for the year		1,259,001	2,082,127	597,373	3,938,501	1,306,614	818,557	2,563,227	4,688,398

DARWIN COLLEGE
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STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2024	53,477,357	5,553,213	27,476,540	86,507,110
Surplus/(Deficit) from income and expenditure statement	1,052,757	2,082,127	597,373	3,732,257
Other comprehensive income	206,244	-	-	206,244
Release of restricted capital funds spent in year	191,416	(191,416)	-	-
Balance at 30 June 2025	54,927,774	7,443,924	28,073,913	90,445,611

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2023	51,814,883	5,090,516	24,913,313	81,818,712
Surplus/(Deficit) from income and expenditure statement	1,265,075	818,557	2,563,227	4,646,859
Other comprehensive income	41,539	-	-	41,539
Release of restricted capital funds spent in year	355,860	(355,860)	-	-
Balance at 30 June 2024	53,477,357	5,553,213	27,476,540	86,507,110

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2025

BALANCE SHEET AS AT 30 JUNE 2025

	Note	2025 £	2024 £
Fixed Assets			
Tangible Assets	9	60,741,774	60,441,030
Investment Assets	10	42,343,363	37,790,364
		<u>103,085,137</u>	<u>98,231,394</u>
Current Assets			
Stock	11	55,134	51,893
Debtors	12	1,111,706	1,167,148
Cash	13	6,548,945	2,344,789
		<u>7,715,785</u>	<u>3,563,830</u>
Creditors	14	<u>1,624,944</u>	<u>1,594,417</u>
Net Current Assets/(Liabilities)		<u>6,090,841</u>	<u>1,969,413</u>
Creditors: more than one year	15	(18,350,112)	(13,000,000)
Provisions			
Pension provision	16	(380,254)	(693,697)
Net Assets		<u>90,445,612</u>	<u>86,507,110</u>
Restricted Reserves			
Income and expenditure reserve - endowment reserve	17	28,073,913	27,476,540
Income and expenditure reserve - restricted reserve	18	7,443,925	5,553,213
		<u>35,517,838</u>	<u>33,029,753</u>
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		54,927,774	53,477,357
		<u>54,927,774</u>	<u>53,477,357</u>
Total Reserves		<u>90,445,612</u>	<u>86,507,110</u>

These accounts were approved by the Trustees on 19 November 2025 and are signed on their behalf by:

M. W. Rands

.....
Dr M Rands, Master

DARWIN COLLEGE
 ANNUAL REPORT AND ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2025

CASH FLOW STATEMENT

	Note	2025 £	2024 £
Net cash inflow from operating activities	20	2,882,970	1,715,503
Cash flows from investing activities	21	(4,599,180)	(377,910)
Cash flows from financing activities	22	5,920,367	393,896
Increase/(Decrease) in cash and cash equivalents in the year		<u>4,204,157</u>	<u>1,731,489</u>
Cash and cash equivalents at beginning of the year		2,344,788	613,300
Cash and cash equivalents at end of the year	13	<u><u>6,548,945</u></u>	<u><u>2,344,789</u></u>

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NOTES TO THE ACCOUNTS

1 Academic fees and charges	2025	2024
	£	£
Colleges fees:		
Fee income received at the Regulated undergraduate rate	12,258	11,670
Fee income received at the Unregulated rate	74,200	52,500
Fee income received at the Graduate fee rate	2,706,461	2,607,728
Other income	55,054	36,824
Total	2,847,973	2,708,722
2 Income from Accommodation and Catering	2025	2024
	£	£
Accommodation College members	3,534,138	3,436,367
Catering College members	794,280	757,774
Total	4,328,418	4,194,141
3 Endowment return and investment income		
3a Analysis	2025	2024
	£	£
Total Return Contribution (see note 3b)	1,105,486	1,079,368
Other investment income:		
Land and buildings	82,109	83,888
Quoted securities	49,578	830
Other interest receivable	184,928	29,319
Total	1,422,101	1,193,405
3b Summary of total return	2025	2024
Income from:	£	£
Quoted and other securities and cash	1,454,405	1,401,630
Gain/(Losses) on investments (see note 10)	(253,600)	2,123,441
	1,200,805	3,525,071
Investment management costs	(14,942)	(14,075)
Total return for the year	1,185,863	3,510,996
Total return transferred to income & expenditure	(1,105,486)	(1,079,368)
Unapplied total return for the year	80,377	2,431,628
4 Education expenditure	2025	2024
	£	£
Teaching	183,121	172,895
Tutorial	521,546	524,589
Admissions	719,396	722,998
Research	342,697	287,904
Scholarships and awards	429,003	461,224
Other educational facilities	920,870	901,518
Total (Note 7)	3,116,633	3,071,128

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5 Accommodation and Catering Expenditure	2025	2024
	£	£
Accommodation College members	2,581,783	2,641,097
Catering College members	1,509,346	1,391,307
Total (Note 7)	4,091,129	4,032,404
6 Other Expenditure	2025	2024
	£	£
Loan interest	570,255	393,896
Investment management fees and administration	10,639	10,092
USS pension interest charge	-	7,127
Other general and administrative expenditure	154,110	114,834
Total (Note 7)	735,004	525,949

7a Analysis of 2024/2025 expenditure by activity

	Staff costs (note 8)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,586,935	1,145,126	384,572	3,116,633
Accommodation and catering	1,639,288	1,554,506	897,335	4,091,129
Other	117,339	617,665	-	735,004
Change in USS pension deficit recovery provision contributions	-	-	-	-
Total	3,343,562	3,317,297	1,281,907	7,942,766

Expenditure includes fundraising costs of £397,929. This expenditure includes the costs of alumni relations.

7b Analysis of 2023/2024 expenditure by activity

	Staff costs (note 8)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,404,123	1,302,193	364,812	3,071,128
Accommodation and catering	1,514,432	1,666,744	851,228	4,032,404
Other	101,539	424,410	-	525,949
Change in USS pension deficit recovery provision contributions	(265,350)	-	-	(265,350)
Total	2,754,744	3,393,347	1,216,040	7,364,131

Expenditure includes fundraising costs of £308,440. This expenditure includes the costs of alumni relations.

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7c Auditors' remuneration	2025	2024
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	31,050	29,580
Other fees payable to the College's external auditors	3,672	1,698

8a Staff costs			2025	2024
	Academic	Non-Academic	Total	Total
	£	£	£	£
Salaries	500,040	2,270,747	2,770,787	2,426,936
National Insurance	45,198	204,862	250,060	272,953
Pension costs	66,580	256,135	322,715	320,205
Net change in USS deficit recovery provision (see Note 16)	-	-	-	(265,350)
Net pension cost	66,580	256,135	322,715	54,855
Total	611,818	2,731,744	3,343,562	2,754,744

	2025	2025	2024	2024
	Number of	Full-time	Number of	Full-time
	Fellows	equivalents	Fellows	equivalents
Academic	21		21	
Non-academic		60		57
Total	21	60	21	57

At the Balance Sheet date the Governing Body comprised of 70 Fellows, of which 12 served as Trustees on College Council. During the year the average number of Fellows receiving remuneration was 21 as shown above. The Trustees received no remuneration in their capacity as Trustees of the Charity.

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

	2025	2024
	Total	Total
£100,001 - £110,000	2	-
£110,001 - £120,000	1	1

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

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8b Key Management Personnel	2025	2024
	£	£
Aggregated remuneration of key management personnel	296,000	280,167

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. In Darwin College, the key management personnel are the Master, the Bursar and the Dean.

8c Pension Costs			2025	2024
	Employer contributions	Provisions (Note 16)	Total	Total
	£	£	£	£
USS	74,248	-	74,248	187,663
CCFPS	138,502	36,898	175,400	(193,739)
Other	73,067	-	73,067	60,931
	<u>285,817</u>	<u>36,898</u>	<u>322,715</u>	<u>54,855</u>

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9 Fixed assets

Tangible fixed assets

	Land	College Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Motor Vehicles	2025 Total	2024 Total
	£	£	£	£	£	£	£
Cost or valuation							
At beginning of year	35,263,254	31,930,629	1,312,836	150,938	10,524	68,668,181	66,758,209
Transfer from assets under construction	-	91,574	(91,574)	-	-	-	-
Additions at cost	-	756,784	796,838	29,029	-	1,582,651	1,909,972
Disposal at cost	-	-	(599,731)	-	-	(559,731)	-
At end of year	35,263,254	32,778,987	1,458,369	179,967	10,524	69,691,101	68,668,181
Depreciation							
At beginning of year	128,216	7,455,900	559,731	72,780	10,524	8,227,151	7,011,111
Transfer to current assets	-	-	-	-	-	-	-
Charge for the year	64,108	1,189,163	-	28,636	-	1,281,907	1,216,040
Written back on disposal	-	-	(559,731)	-	-	(559,731)	-
At end of year	192,324	8,645,063	-	101,416	10,524	8,949,327	8,227,151
Net book value							
At end of year	35,070,930	24,133,924	1,458,369	78,551	-	60,741,774	60,441,030
At beginning of year	35,135,038	24,474,729	753,105	78,158	-	60,441,030	59,747,098

Land includes long leasehold land purchased in 2023-24 costing £12,821,500 on a 200 year lease.

The insured value of freehold buildings as at 30 June 2025 was £53,739,284 (2024: £52,280,618).

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements in respect of assets under construction was £nil (2024: £nil)

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10 Investments	2025	2024
	£	£
Balance at beginning of year	37,790,364	35,796,023
Additions	2,241,328	3,087,827
Disposals	-	(1,893,668)
Gain/(Loss)	(238,405)	1,992,435
Increase/(Decrease) in cash balances held at fund managers	2,550,076	(1,192,253)
Balance at end of year	42,343,363	37,790,364
Represented by:		
Property	2,580,000	2,580,000
Quoted securities - equities	103,900	84,850
Fixed interest securities	-	-
Cash in hand at investment managers	2,580,642	30,565
Other	37,078,821	35,094,949
	42,343,363	37,790,364
11 Stocks	2025	2024
	£	£
Goods for resale	55,134	51,893
12 Trade and other receivables	2025	2024
	£	£
Members of the College	427,409	481,372
University fees	-	-
Other receivables	354,454	360,324
Prepayments and accrued income	329,843	325,452
	1,111,706	1,167,148
13 Cash and cash equivalents	2025	2024
	£	£
Short-term money market investments	750,000	-
Bank deposits	5,328,813	1,990,339
Current accounts	469,077	353,323
Cash in hand	1,055	1,127
	6,548,945	2,344,789

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14 Creditors: amounts falling due within one year	2025	2024
	£	£
Trade creditors	304,226	408,164
Members of the College	230,034	227,095
University fees	150,633	270,118
Other creditors	538,273	181,045
Accruals and deferred income	401,778	507,995
	<u>1,624,944</u>	<u>1,594,417</u>

15 Creditors: amounts falling due after more than one year	2025	2024
	£	£
Private Placement	18,350,112	13,000,000

During 2013-14, the College borrowed £3million from institutional investors, as part of a larger financing undertaken collectively with other Colleges. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. During the year, the College was assigned further loans of £6,044,314 originally lent to one of the other participating Colleges which are on the same terms as the existing loans. The loans were assigned at a discount of 87.98p resulting in a receipt of £5,317,787. The total discount of £726,527 is being charged to the Income and Expenditure account over the term of the loans, the amount charged in 2024-25 was £32,325.

During 2017-18, the College borrowed from institutional investors, collectively with two other Colleges, the College's share being £10 million. The loans are unsecured and repayable during 2058, and are at fixed interest rates of approximately 2.62%.

The College has agreed, in respect of each of these loans, a financial covenant based on the ratio of Borrowings to Net Assets and has been in compliance with this at all times since incurring the debts.

16 Pension provisions	CCFPS	USS	2025	2024
	£	£	Total	Total
	£	£	£	£
Balance at beginning of year	693,697	-	693,697	1,082,530
Movement in year:				
Current service cost including life assurance	204,602	-	204,602	257,633
Contributions	(311,801)	-	(311,801)	(339,577)
Other finance (income)/cost	-	-	-	-
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(206,244)	-	(206,244)	(41,539)
Net change in underlying assumptions (see Note 8):				
- Change in underlying assumptions	-	-	-	(255,334)
- USS deficit contributions payable	-	-	-	(10,016)
Balance at end of year	<u>380,254</u>	<u>-</u>	<u>380,254</u>	<u>693,697</u>

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16 Pension provisions cont.

At 31 July 2023, the College's balance sheet included a liability of £258,223 for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes in contribution rates were implemented from 1 January 2024 and from that date the College was no longer required to make deficit recovery contributions. The remaining liability of £255,334 was released to the profit and loss account. Further disclosures related to the deficit recovery liability can be found in note 26.

17 Endowment funds			2025	2024
	Restricted permanent endowments	Unrestricted permanent endowments	Total	Total
	£	£	£	£
Balance at beginning of year:				
Capital	5,201,706	5,201,706	27,476,539	24,913,313
New donations and endowments	-	582,449	582,449	848,000
Increase/(Decrease) in market value of investments	(33,418)	(33,418)	14,924	1,715,226
Transfer of funds	-	-	-	-
Balance at end of year	<u>5,168,288</u>	<u>22,905,624</u>	<u>28,073,912</u>	<u>27,476,539</u>
Analysis by type of purpose				
Fellowship Funds	2,989,688	-	2,989,688	3,009,019
Scholarship and Studentship Funds	1,189,256	-	1,189,256	1,196,946
Bursary Funds	688,466	-	688,466	692,918
Travel Grant Funds	272,674	-	272,674	274,437
Other Funds	28,204	-	28,204	28,386
General endowments		22,905,624	22,905,624	22,274,833
	<u>5,168,288</u>	<u>22,905,624</u>	<u>28,073,912</u>	<u>27,476,539</u>
Analysis by asset				
Property			2,580,000	2,580,000
Investments			25,493,912	24,896,539
Cash			-	-
			<u>28,073,912</u>	<u>27,476,539</u>

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18 Restricted Reserves				2025	2024
Reserves with restrictions are as follows:	Capital grants unspent	Permanent unspent & other restricted income	Restricted expendable endowment	Total	Total
	£	£	£	£	£
Balance at beginning of year	18,750	3,402,066	2,132,397	5,553,213	5,090,516
New grants	-	-	-	-	-
New donations	191,416	229,319	1,550,000	1,970,735	494,574
Total investment return applied	-	265,321	70,401	335,722	305,759
Total investment return retained	-	40,445	3,474	43,919	249,929
Other investment income	-	16,509	5,656	22,165	34,015
Increase/(Decrease) in market value of investments	-	-	-	-	-
Expenditure	-	(231,202)	(59,212)	(290,414)	(265,720)
Capital grants utilised	(191,416)	-	-	(191,416)	(355,860)
Transfer to unrestricted	-	-	-	-	-
Balance at end of year	18,750	5,272,458	2,152,716	7,443,924	5,553,213
Analysis of other restricted funds/donations by type of purpose					
Fellowship Funds	-	1,513,485	1,551,918	1,515,403	1,453,555
Scholarship and Studentship Funds	-	1,466,605	2,150,798	5,167,403	3,419,422
Bursary Funds	-	618,813	-	618,813	583,576
Travel Grant Funds	-	70,845	-	70,845	59,598
Other Funds	-	52,710	-	52,710	18,312
General	18,750	-	-	18,750	18,750
	18,750	3,722,458	3,702,716	7,443,924	5,553,213
Analysis by asset					
Property				-	-
Investments				6,096,438	4,743,777
Cash				1,347,486	809,436
				7,443,924	5,553,213

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19 Memorandum of Unapplied Total Return	2025	2024
	£	£
Included within reserves the following amounts represent Unapplied Total Return of the College:		
Unapplied Total Return at the beginning of year	14,462,119	12,030,491
Unapplied Total Return for the year (see note 3b)	80,377	2,431,628
Unapplied Total Return at the end of year	14,542,496	14,462,119
20 Reconciliation of surplus for the year to net cash inflow from operating activities	2025	2024
	£	£
Surplus/(Deficit) for the year	3,938,502	4,688,398
Adjustment for non-cash items		
Depreciation	1,281,907	1,216,040
Investment management costs	-	-
(Gain)/loss on endowments and investment property	234,550	(2,010,736)
(Increase)/Decrease in stocks	(3,241)	(2,332)
(Increase)/Decrease in trade and other receivables	55,442	(100,368)
Increase/(Decrease) in creditors	30,527	222,896
Pension costs less contributions payable	(313,443)	(388,833)
Adjustment for investing or financing activities		
Investment income	(1,771,020)	(1,515,667)
Interest payable	(570,255)	(393,896)
Loan fees paid	-	-
Net cash inflow from operating activities	2,882,969	1,715,503
21 Cash flows from investing activities	2025	2024
	£	£
Non-current investment disposal	3,855	1,911,969
Investment income	1,771,020	1,515,667
Endowment funds invested	(2,241,328)	(3,087,827)
(Increase)/Decrease in cash balances held at fund managers	(2,550,076)	1,192,253
Payments made to acquire non-current fixed assets	(1,582,651)	(1,909,972)
Total cash flows from investing activities	(4,599,180)	(377,910)
22 Cash flows from financing activities	2025	2024
	£	£
Interest paid	570,255	393,896
New loan	5,350,112	-
New loan fees paid	-	-
Total cash flows from financing activities	5,920,367	393,896

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23 Consolidated reconciliation and analysis of net debt

	At 1 July 2024	Cash flows	New loans	At 30 June 2025
	£	£	£	£
Cash and cash equivalents	2,344,789	4,204,156		6,548,945
Borrowings - amounts due within one year	-	-	-	-
Borrowings - amounts due after more than one year				
Unsecured loans	(13,000,000)	-	(5,317,787)	(18,317,787)
Net total	<u>(10,655,211)</u>	<u>4,204,156</u>	<u>(5,317,787)</u>	<u>(11,768,842)</u>

See note 15 for further details of the unsecured debt, raised by private placements, at fixed interest rates and repayable 2043 - 2058.

24 Financial Instruments

	2025	2024
	£	£
Financial Assets		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments	37,172,720	35,169,798
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments	10,001	10,001
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	6,548,945	2,344,789
Cash in hand at investment managers	2,580,642	30,565
Other debtors	1,111,706	1,167,148
Financial Liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	18,350,112	13,000,000
Trade creditors	304,226	408,164
Other creditors	1,320,718	1,186,253

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

25 Lease obligations

	2025	2024
	£	£
At 30 June 2025 the College had annual commitments under non-cancellable operating leases as follows:		
Land and buildings:		
Expiring within one year	196,487	190,764
Expiring between two and five years	202,382	398,869
Expiring in over five years	-	-

26 Pensions

The College participates in two defined benefit schemes, the Universities' Superannuation Scheme (USS) and the Cambridge Colleges' Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trustee-administered funds. The total pension cost for the 12 months to 30 June 2025 was £212,750 (2024: £264,356).

26a *Universities' Superannuation Scheme*

The total cost charged to the profit and loss account is £74,248 (2024: £71,611).

Deficit recovery contributions due within one year for the institution are £nil (2024: £nil).

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

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), which 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.

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

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

	2023 valuation
Mortality base table	101% of SAPS 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% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

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

26b Cambridge Colleges' Federated Pension Scheme

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

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

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

	2025	2024
	% p.a.	% p.a.
Discount rate	5.50	5.10
Increase in salaries pre 2030	2.40	2.85
Increase in salaries post 2030	3.30	3.75
RPI assumption	2.90	3.35
CPI assumption pre 2030	1.90	2.35
CPI assumption post 2030	2.80	3.25
Pension increases in payment (RPI Max 5% p.a.)	2.85	3.15
Pension Increases in payment (CPI Max 2.5% p.a.)	1.85	2.00

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

- Male age 65 now has a life expectancy of 21.4 years (previously 21.4 years).
- Female age 65 now has a life expectancy of 24 years (previously 23.9 years).

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- Male age 45 now and retiring at age 65 has a life expectancy from 65 of 22.7 years (previously 22.6 years).
- Female age 45 now and retiring at age 65 has a life expectancy at 65 of 25.4 years (previously 25.3 years).

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

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

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

Employee Benefit Obligations

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

	2025	2024
	£	£
Present value of plan liabilities	(4,641,431)	(4,989,570)
Market value of plan assets	4,261,177	4,295,873
Net defined benefit asset/(liability)	(380,254)	(693,697)

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows.

	2025	2024
	£	£
Current service cost	144,688	152,547
Administrative costs	23,541	19,152
Interest on net defined benefit (asset)/liability	36,373	43,912
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	204,602	215,611

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

	2025	2024
	£	£
Present value of plan liabilities at beginning of period	4,989,570	4,809,499
Current service cost	144,688	152,547
Employee contributions	24,524	21,566
Benefits paid	(250,684)	(243,116)
Interest on plan liabilities	252,231	248,331
Actuarial (gains)/losses	(518,898)	743
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	4,641,431	4,989,570

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

	2025	2024
	£	£
Market value of plan assets at beginning of period	4,295,873	3,985,192
Contributions paid by the College	311,801	304,682
Employee contributions	24,524	21,566
Benefits paid	(250,684)	(243,116)
Administrative expenses paid	(24,985)	(23,943)
Interest on plan assets	215,858	204,419
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	(311,210)	47,073
Market value of plan assets at end of period	<u>4,261,177</u>	<u>4,295,873</u>
Actual return on plan assets	(95,352)	251,492

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

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

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

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

	2025	2024
	£	£
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure*	(311,210)	47,073
Expected less actual plan expenses	(1,444)	(4,791)
Experience gains and losses arising on plan liabilities	85,559	(16,860)
Changes in assumptions underlying the present value of plan liabilities	433,339	16,117
Remeasurement of net defined benefit liability recognised in OCI	<u>206,244</u>	<u>41,539</u>

*after deducting the costs of managing plan assets

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

	2025	2024
	£	£
Net defined benefit asset/(liability) at beginning of year	(693,697)	(824,307)
Recognised in the Statement of Comprehensive Income and Expenditure	(204,602)	(215,611)
Contributions paid by the College	311,801	304,682
Remeasurement of net defined benefit liability recognised in OCI	206,244	41,539
Net defined benefit asset/(liability) at end of year	<u>(380,254)</u>	<u>(693,697)</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 actuarial valuation was as at 31 March 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 27 June 2024 and are as follows:

- Annual contributions of not less than £120,556 per annum payable for the period from 1 July 2024 to 31 March 2030.

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

27 Related Party Transactions

Owing to the nature of the College's operations and the composition of its Trustees, it is possible that transactions will take place with organisations in which a Trustee may have an interest. All transactions involving organisations in which a Trustee 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 Trustees and where any Trustee 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 pastoral, educational and other duties within the College. Fellows are billed for any private catering. The Trustees remuneration is overseen by a Remuneration Sub-Committee of the College's Finance Committee, whose membership comprises independent external members, Fellows who are not Trustees, and the Bursar.

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

From:	To:	Number of Fellows	
		2025	2024
£0	£10,000	9	9
£10,001	£20,000	-	-
£20,001	£30,000	-	-
£30,001	£40,000	-	-
£40,001	£50,000	-	-
£50,001	£60,000	-	1
£60,001	£70,000	1	-
£70,001	£80,000	-	1
£80,001	£90,000	1	1
£90,001	£100,000	1	-
	Total	<u>12</u>	<u>12</u>

The total Trustee salaries were £269,493 for the year (2024: £238,645)

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £63,425 for the year (2024: £63,278)

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Accounts



**DARWIN COLLEGE
CAMBRIDGE**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2024**

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2024

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DARWIN COLLEGE
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PRELIMINARY INFORMATION

Body Corporate:

The Master and Fellows of Darwin College in the University of Cambridge

Address:

Silver Street, Cambridge CB3 9EU

Charity Registration Number:

1141105

Charity Trustees:

The College's Trustees for Financial Year 2023-24 were:

Dr M R W Rands	Master
Professor F E Karet	Vice-Master
Dr S Baker	Vice-Master
Dr D J Needham	Dean
Mr J T Dix	Bursar
Professor A F Blackwell	
Professor R P Cowburn	
Professor J B Rowe	
Professor C van Ruymbeke	
Ms C L Edmonds	(to 12 July 2023)
Ms N Hartley	(from 12 July 2023)
Ms S Maziliauskas	(to 12 July 2023)
Mr M Schneider	(to 15 November 2023)
Mr J Bickler	(from 15 November 2023)
Mr P van der Jagt	(from 15 November 2023)

Principal Advisers:

Auditors:

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

Bankers:

Barclays Bank plc (Corporate Banking)
Mortlock House
Histon
Cambridge CB4 9DE

Property Managers:

Cheffins, Chartered Surveyors
Clifton House
1 & 2 Clifton Road
Cambridge CB1 7EA

Investment Fund Managers:

Cazenove Capital Management Ltd
12 Moorgate
London EC2R 6DA

University of Cambridge Investment
Management Limited
The Old Schools
Trinity Lane
Cambridge CB2 1TN

REPORT OF THE TRUSTEES

INTRODUCTION

The College

Darwin College was founded in 1964 as the first graduate college in the University of Cambridge. The College was created an Approved Foundation on 29 January 1965, and was incorporated by Royal Charter dated 9 June 1976 as a Body Politic and Corporate under the name and style of "The Master and Fellows of Darwin College in the University of Cambridge". The College is an educational charity. It enjoyed exemption from registration from its foundation until 2010 when changes in charity law required it to become registered with the Charity Commission, which it has been since 4 April 2011. The main College site is at Silver Street, Cambridge, CB3 9EU.

Aims and Objectives of the College

The College's principal object under its Charter is to advance education, learning and research in the University of Cambridge. It pursues this objective by:

- Promoting and fostering excellence in academic education and learning through providing a community of scholarship for its graduate students.
- Creating and nurturing a vibrant and supportive research community for its Fellows, graduate students, other members, and visitors.
- Maintaining and enhancing the endowment, benefactions, buildings, grounds, and facilities of the College for the continuing benefit of current and future generations of members.

The maintenance of the College's financial viability for the present and long term, and of its independence and autonomy within the collegiate university, are consistent with and necessary conditions for the fulfilment of its charitable purposes.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an educational and support base for over 700 post-graduate students, and very occasionally undergraduate-status students in specific disciplines. The education under the Cambridge collegiate system is recognised internationally as being of the very highest standard. Whether through teaching or research or a combination of these, this education challenges and develops students academically, fosters leadership qualities and interpersonal skills, and prepares them to play full and effective roles in society, be this in the UK or in the 71 other countries from which the membership is currently drawn. Although only sixty years old, the College already numbers Nobel prize winners amongst its Fellows and alumni.

In particular, the College provides:

- Physical and technical facilities supporting its students in their individual study regimes, as well as supporting teaching activities in the wider University, and for seminars and a public lecture series of international renown;
- Pastoral, well-being, administrative, and academic support for its students through the Deanery with tutoring and mentoring provided by Fellows; and

- Social, cultural, sporting, musical and recreational facilities, enabling students to balance fully their academic and personal lives, and develop their potential, whilst studying in Cambridge.

The College advances research by:

- Providing currently 25 research fellowships and around 50 post-doctoral research associateships to outstanding researchers in the early stages of their careers; these appointments enable them to develop and focus intensively on their post-doctoral research work, in that crucially formative period prior to their taking on teaching duties in an academic post or research leadership roles elsewhere;
- Demonstrating the value of research degrees for addressing global challenges, and their potential impact on the knowledge economy both in the UK and internationally;
- Supporting the work of all its Fellows by creating and promoting international and interdisciplinary contact both informally and in seminars and lectures;
- Fostering academic networking, and access to and involvement in cutting-edge research, particularly by providing facilities for outstanding academics from other universities all over the world to make extended stays as Visiting Fellows and Visiting Researchers;
- Inducting the next generation of academics and researchers into a research culture which is inclusive and diverse; and
- Offering access to invaluable resources for all members of the College, particularly in the provision and maintenance of a Study Centre and Library, and extensive IT facilities.

Members of, and academic visitors to, the College, both students and Fellows, are the prime beneficiaries. They are directly engaged in education, learning and research and the College's students are the recipients of such direct financial support as the College is able to provide to those of limited financial means. More widely, other beneficiaries include students and academic staff from other Cambridge Colleges and the University of Cambridge. Academics from other higher-education institutions and returning alumni members of the College are given opportunities to undertake interdisciplinary research and establish contacts, attend educational events at the College, and make use of its academic facilities; in parallel, the wider public is encouraged to attend certain educational activities provided by the College such as lectures, seminars and concerts.

These activities serve to reinforce and underpin life-long learning. A particular example is the Annual Darwin College Lecture Series, now in its 38th year, which runs for eight weeks each Lent Term, and attracts audiences of many hundreds drawn from the general public as well as the student and academic community. Since 2007 most of the lectures have been made available online for a global audience, and cumulative downloads to date exceed one million. The theme of the 2024 lectures series was "Revolution" which explored the concept from a variety of angles. The lectures are collated, edited and published by the College with Cambridge University Press, and the volumes entitled *Food* (2022) and *Revolution* (2023) are being finalised for publication in 2025. The College has now added a series of termly public seminars known as the Erasmus Seminars to its educational and research activities which included speakers on *The Dawn of Artificial Intelligence*, *The Cambridge Room: engagement and inclusion in spatial planning* and *Where to begin? Replicating the Human Genome*.

The College's pursuit of public benefit has been enhanced with the implementation of an Equity Diversity and Inclusion plan which seeks to ensure its policies and practices meet or exceed societal expectations in this area, and through the improvement and professionalisation of its communications function and a relaunch of its communication channels for better engagement with society more widely.

In fulfilling its charitable purposes of advancing education, learning and research, the College draws on its senior officers such as Master, Vice-Masters, Dean, and Bursar who receive stipends. These serve with other Fellows as charity trustees through being members of the College Council. Other stipendiary senior officers include the Development Director. Any employment and remuneration of the Master and Fellows is undertaken with the intention of furthering the College's aims and such employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through stipends and related benefits is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector. Without the services of its Master and Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

ACHIEVEMENTS AND PERFORMANCE

Academic Results and Student Body Profile

College members graduating in the 2023-24 academic year achieved 115 PhDs and 219 Masters-level degrees (2023: 72 and 263 respectively). Three former students who had graduated in absentia during the COVID-19 pandemic returned to Cambridge to attend celebrations of the award of their degrees, and two students participated in person in graduation ceremonies by way of a celebration of their completion of studies (and later formally graduated *in absentia*) under the arrangements made in consequence of the industrial action by academic staff which had delayed exam marking.

In the 2023-24 academic year there were 738 student members of the College (for all or part of the year) (2023: 788). Of these 574 were fee-paying post-graduate students (including 30 who paid fees directly to the Judge Business School) and 164 were post-graduate students writing up or under examination (from whom the College receives no fees). The College's fee income in the year, under current arrangements within the collegiate University, is based on its number of fee-paying post-graduate students adjusted to a full-time equivalent, which for the year was 515.28 (2023: 512.77). 55.31% of fee-paying students were fully funded and 3.30% partially funded as to their combined graduate fees from sources of which the University or College is aware; the balance were self-funded or funded from sources of which the College is not formally aware.

Financial Overview

The College's income comprises academic fees, charges for student accommodation and catering services, investment income, and individual and corporate donations and bequests. Its expenditure comprises the costs of education, of providing and maintaining student residences and catering, of investment and property management, and of development fundraising and alumni relations; and expenditure includes all staff costs and depreciation. In the 2023-24 year the costs of educational, accommodation and catering provision and general operations exceeded the associated unrestricted income from fees, rents and charges giving a deficit of £441,487 (2023: deficit of £548,007). The College relies upon donations and income from its endowment to turn this operational deficit into a surplus which can be invested and expended over time to maintain and improve its services and facilities. The College made a surplus on its unrestricted activities (after endowment income, donations, grants but before other gains and losses) of £911,308 (2023: £718,366). Donations of £373,189 (2023: £565,102) and a grant from the Colleges Fund of £848,000 (2023: £184,000) were gratefully received in the year, and government grants of £374,610 were received for decarbonisation projects. These amounts are mainly subject to use for restricted or endowment purposes. The accounts for the year also include appreciable unrealised capital gains on investments and favourable movements on pension provisions.

The net assets of the College at 30 June 2024 were £86,507,110 (2023: £81,818,712).

The College's restricted and endowment reserves at 30 June 2024 were £33,029,753 having increased in the year from £30,003,829. The restricted reserves comprise £10,754,919 of restricted or trust funds for defined educational purposes and £22,274,834 of endowment funds or general corporate capital funds, the income from which is essential to fund the deficit which would otherwise arise on the College's academic activities and student services and to provide resources for capital and other College projects. The College's unrestricted reserves have increased to £53,477,357 from £51,814,883. This total includes the College's cash reserves and some investment assets, but the great majority of such funds are fixed assets in the form of the College's operational land and buildings. The College's total reserves are reduced by a provision for pension liabilities of £693,697 (2023: £1,082,530).

The College has issued £13million of unsecured fixed interest rate debt raised by way of private placings. The weighted average rate of interest is 3.06% and repayment of the capital is due in the period 2043-2058. This funding was raised for the purpose of further investment in revenue generating operational assets for the College and was applied in 2022 to the purchase of the 44 flats known as Causewayside on Fen Causeway, Cambridge.

Benefactions and Donations

The College is most grateful for donations and bequests (including of royalties), from alumni and from other supporters and organisations. This generosity enables the College to extend and enhance its support for students and Fellows, for the Darwin College Lecture Series, and for its physical estate. Plans for an ambitious fundraising campaign to support the vision of the College Strategic Plan were prepared in this financial year and launched to potential donors in September 2024. The target is to raise £40million in new gifts plus an additional £20million in future pledges of legacy gifts.

Over the course of the year £641,510 (2023: £320,253) was raised. A total of 540 (2023: 407) individual and organisational donors contributed in the year at a variety of levels. The College is immensely grateful to them for their support.

The College spent £294,990 (2023: £331,989) on fundraising and alumni relations in the year. These costs are incurred as the College supports a fast-growing – and global – community of alumni and prepares for the new fundraising campaign. The College invests in communicating with alumni and other supporters through the College magazine, The Darwinian, as well as making use of electronic and social media.

The College is registered with Fundraising Regulator and follows its Code of Fundraising Practice. The following information is provided under the Code and in line with Charity Commission guidance. The College raises money through telephone fundraising, direct mail (by post and email) and in person one-to-one meetings. The College employs a professional Director of Development to lead fundraising activity. The work of the Director and development team is overseen by an internal committee and the Director reports directly to the Master of the College. New staff and others involved with fundraising are trained on the Code as part of induction and are required to comply with the Code. There were no compliance issues or complaints about fundraising during the year. The College did not employ any 'on behalf of' fundraising staff or contractors during the year. The College protects vulnerable people and members of the public from undue pressure to make donations and intrusion into their privacy by:

- Training staff involved in fundraising activities about what vulnerabilities might be encountered and how to recognise them;

- Allowing potential donors (usually alumni) to opt-out in advance of any or all fundraising campaigns – through sending email and postal notifications with details of how to inform the College;
- Maintaining contact preferences for alumni on a database and checking this when selecting people to approach to ask for donations;
- Training anyone who asks for donations how to ask and (if during a telephone fundraising call) to ask only once; and
- Not persisting with requests for meetings about fundraising when no response is consistently received after several attempts to make contact.

Endowment and Investment Performance

The College's financial investments are comprised of its invested endowment. The College, as a permanently endowed charity, adopts a long-term time horizon when making investments of its endowment. The College is advised on investment matters, via the Finance (and Investments) Committee, by its fund managers and independent external members co-opted to the Committee.

The return in the year on the College's corporate capital (unrestricted endowment) fund and on its (restricted endowment) trust pool fund was 10.4% net of fees (2023: 2.1%). No withdrawal of invested capital from these funds was required or made in the year. On 1 July 2023 the College adopted total return accounting for its invested endowment whereby no distinction is made between income and capital returns and the College receives into its income and expenditure account a percentage of the total investment assets (currently 3.25%) subject to a smoothing formula over time. The total return transferred to the income and expenditure account for the year was £1,079,368 (2023 dividends received on quoted securities: £789,932). All investment income received is applied in the pursuit of the charitable objects of the College.

The College encourages socially responsible investment, and monitors its investments against environmental, social and governance standards. Under its investment policy it will not invest in entities where: the investment may conflict, or be inconsistent, with primary aims, objectives and activities of the College; the investment might alienate the College's supporters or potential supporters; the investment may be reputationally damaging; the investment is considered by the Trustees to be unethical; or the investment might otherwise hamper the work of the College. In pursuance of this policy the College recognises that climate change is a real and present danger, and encourages debate on the appropriate response by the College to the risks climate change represents. The College seeks to support sustainability, carbon reduction, the development of renewable energy sources, and action to mitigate the effects of adverse climate change. Consequently, its investments are held in funds which are regularly assessed and monitored for their sustainability credentials.

Reserves policy

The College intends to continue to pursue its objectives in perpetuity. It therefore aims to protect and maintain the real value of its permanent corporate and trust capital, and to continue to increase its unrestricted funds and reserves for the long term, whilst seeking an equitable funding balance between the interests and aspirations of present members and those yet to come, and also retaining an ability to cope with sudden unforeseen financial upheavals and to take advantage of unexpected opportunities. Any new donations or bequests to the College are added to the unrestricted funds unless the donor has made it clear that the funds are to be used for a specific purpose.

The College's free reserves stood at the year end at £6,066,327 (2023: £5,067,785), being its unrestricted reserves and long-term debt totalling £66,477,357 less the amount committed to functional assets (represented by the total of its tangible fixed assets) of £60,411,030. Free reserves provide a notional measure of resources available for general purposes which are not restricted or committed. The College seeks to ensure that its free reserves approximate or exceed one year's expenditure at current levels. Free reserves at the year-end represented 85% unrestricted expenditure incurred during the year (2023: 70%). Long-term debt is excluded from the calculation on the basis that the College will accrue sufficient additional reserves to repay the debts when due.

Capital Expenditure

The capital expenditure which was incurred during the year arose mainly in connection with the College's degasification projects. The degasification work at Frank Young House, the College's 26 bed hostel on Wordsworth Grove, was successfully completed and commissioned. A Public Sector Decarbonisation Fund grant part funded the work which involved replacing the glazing, upgrading insulation and installing air source heat pumps. A similar project, similarly funded, was planned during the year for Gwen Raverat House, a 56 bed hostel off Newnham Road, and was commenced shortly after the year end.

Building Renewals and Maintenance

The College's buildings on its main site are mainly eighteenth and nineteenth century with modern additions, and adapted houses and purpose-built student hostels off-domus. The routine maintenance of the buildings is carried out according to a comprehensive long-term rolling maintenance programme which seeks to ensure timely refurbishment, to a standard to minimise unplanned and costly remedial works, carried out within tight budget controls.

The College's two largest off-site owned hostels will shortly be degasified as referred to in the preceding section. This work carries with it a significant element of the renewal of services in the buildings and refurbishment of the fabric.

In September 2024 a detailed planning application was submitted for major work across the main site, to decarbonise the provision of heating and hot water using river source heat, to improve the thermal performance of the buildings with improved glazing, insulation, and other fabric upgrades, to completely refit the college kitchens, to improve the circulation and spatial qualities of the Hermitage interior, and to build a new social space under the Hall. The engineering and architectural design work was part funded by a Public Sector Low Carbon Skills Fund grant. A decision on the planning application is expected in early 2025 and work has commenced to consider the financing and sequencing of the works over the coming years.

Pensions

The College has members of staff in the Universities' Superannuation Scheme (USS), a defined contribution workplace pension scheme, and the Cambridge Colleges' Federated Pension Scheme (CCFPS) (closed to new members).

The College had 18 active USS members at 30 June 2024, although many Fellows will be USS members though their employment by the University. The USS valuation as at 31 March 2023 valued the assets of the scheme at £73.1 billion and valued its technical provisions at £65.7 billion, indicating a surplus of £7.4 billion (and a funding ratio of 111%). The College is, taken apart from the University, a very

small employer within the scheme. It has considered how to deal with the issues of conflict of interest for Fellows and Trustees should the College wish to take an active part in USS consultations regarding the scheme.

The most recent actuarial review of the CCFPS was as at 30 June 2024. The College's overall benefit funding liability has decreased to £693,697 (2023: £824,307).

Principal Risks and Uncertainties

The main risks and uncertainties facing the College are those connected with the following matters:

- Economic and political factors, including:
 - the availability of sources of funding for graduate study, particularly in the arts and humanities, and particularly following the UK's departure from the European Union;
 - threats to the continuing attractiveness of the University to the diverse global academic elite, whether as applicant students, post-doctoral researchers, or academics;
 - the need to minimise reputational risk through high standards and appropriate policies in areas in which the College might be the focus of political, activist or media attention;
- Social, environmental and health factors, including:
 - increasing societal concerns regarding student mental health and well-being where the College must ensure that its pastoral functions adapt and remain effective;
 - the impact of climate change generally including the pressures associated with the College's need to undertake major and expensive decarbonisation work and meet its net carbon zero commitment by 2032;
 - the threat to public health represented by any re-emergence of COVID-19 or another similar global pandemic;
- Local factors, including:
 - the high cost of living in Cambridge for students and staff;
 - issues relating to the City of Cambridge, including a shortage of affordable housing, congestion, and deficiencies in public transport which will add to the challenges of recruiting and retaining College staff and will increase operating costs.

The College reviews risks generally at an institutional level and at an operational level. Major risks to which the College is or may be exposed from time to time are reviewed regularly by all College committees within their terms of reference, and reported to College Council and Governing Body. A risk register is maintained to monitor, mitigate or remove major risks as they are identified. Operational risks are reviewed at a departmental level and appropriate procedures put in place to monitor and control such risks.

Plans for the future

In 2023-24 the College began to implement the Strategic Plan for Darwin College 2022-2032, as approved by College Council and endorsed by the Governing Body in 2022. The Plan sets out five strategic priority areas: strengthening the College's contribution to academic excellence and research impact; fostering a diverse and inclusive College community; enhancing the College estate, facilities and services; expanding and diversifying College revenue; and acting on and promoting solutions to global challenges, including sustainability. The Council carries out an annual review of progress against the goals agreed to achieve progress in each of these five priority areas. To deliver key elements of the Strategy, a major fundraising campaign has been launched in September 2024 with a goal to raise £60 million to support the College. To date £9.7 million has been secured in a combination of gifts and

legacy pledges towards postgraduate studentships and decarbonising and enhancing the College estate. To celebrate the College's achievements and contribution to education, research and society more widely since its foundation in 1964, a number of highly popular and successful in-person and on-line events were organised for College members, alumni and the general public throughout 2024.

GOVERNANCE

Corporate Governance

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the management of the College's resources and audit oversight.

The College is a registered charity (Registered Number 1141105) and subject to regulation by the Charity Commission for England and Wales. The College Council provides the trustees of the charity and they are responsible for ensuring compliance with charity law. The Trustees are advised in meeting those duties by a number of Committees, and internal and external professionally qualified advisers. Members of the College Council forming the Trustee Body during the year to 30 June 2024 are indicated at Page 2.

The Principal Officers of the College under Statute are the Master, Vice-Master, Dean, and Bursar, and the holders of these offices during the year are identified on Page 2. Two joint Vice-Masters continue to share the duties of the office, and of whom Professor F E Karet serves as Vice-Master for statutory purposes.

The Governing Body, comprising the Master and Fellows under Titles A, C, D, and E, holds at least six meetings a year, with the November/December meeting being the Annual Meeting.

The College Council comprises the Master, Vice-Masters, Dean, and Bursar ex-officio, four Fellows elected by the Governing Body, and three students. The current Student Association President is a member ex-officio, and two further student members are elected directly by the student body each year. The College Council meets on a regular basis throughout the year and is responsible for the everyday administration of the College in all matters not allocated by Statute to the Governing Body or the Finance Committee. The College Council makes regular reports to each meeting of the Governing Body.

The Finance (and Investments) Committee, composed of the Master, Vice-Master, and Bursar ex-officio, and three Fellows elected by the Governing Body to serve from the beginning of a given academic year, manages the College investments and, with a directly elected student representative, controls and administers the revenues and expenditures in accordance with College Statutes, Ordinances, and the Charities Act. When acting as the Investment Committee, the membership is reinforced by up to three external members, and the College's investment managers are in attendance.

It is the specified duty of the Finance Committee to keep under constant review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external auditors; to give initial consideration to reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make periodic formal Reports to the Trustees and Governing Body.

Registers of Interests in a form prescribed by the College's Conflicts of Interest Policy are maintained for the Trustees, and Related Party forms are obtained from the Trustees and senior staff as part of the annual audit. The declaration of interests is a formal agenda item at the beginning of every College meeting.

Statement on Internal Control

The Trustees are responsible for ensuring a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding public and other funds and assets for which the charity holds responsibility, in accordance with College Statutes and Ordinances, and the Charities Act 2006.

The systems of internal control are designed to identify the principal risks bearing on the achievement of aims, objectives and policies, to evaluate the nature and extent of those risks, and to ameliorate and control them efficiently, effectively and economically. The systems of internal control are structured realistically to identify and control most of the risks of failure to achieve aims, objectives and policies, rather than attempt to eliminate risk entirely; it therefore provides reasonable, but not absolute, assurance of effectiveness. These processes were in place for the year ended 30 June 2024 and throughout the period to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the systems of internal control. The Trustees' continual review of the effectiveness of the systems is informed by the work of the various Committees, the Bursar, and the College Officers who hold responsibility for the development and application of an internal control framework and for the investigation and resolution of any comments raised by the external auditors in their post audit and other reports.

General Responsibilities of the Trustees

The Trustees are responsible for the preparation of the Annual Report and financial statements in accordance with applicable law and having regard to United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The College Statutes and Ordinances, and those of the University of Cambridge, require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that 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 inappropriate to presume that the College would continue in operation.

The Trustees are responsible for keeping accounting records which, at any time, disclose with reasonable accuracy 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.

Approved by the Trustees on 20 November 2024



J T Dix, Bursar

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DARWIN COLLEGE

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 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 College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual 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 trustees

As explained more fully in the responsibilities of the trustees' statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2024

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

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

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

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

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with relevant regulators and the College's legal advisors.

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

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

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

Use of our report

This report is made solely to the College's trustees as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 2 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 6.

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

Basis of accounting

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

Going Concern

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2024 year-end up to December 2025. The College has also set a detailed budget plan for the financial year 2024-25. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans demonstrate that the College has sufficient resources to meet liabilities as they fall due. The Trustees consider preparation of these financial statements using a going concern basis to be appropriate.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

Restricted 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 are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Other income

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

Cambridge Bursary Scheme

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

The net payment of £1,750 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£1,750
Expenditure	£3,500

Tangible fixed assets

Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to 1 July 2014, the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of between 50 and 100 years.

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

Furniture, Fittings and Equipment

Furniture, fittings and equipment in excess of £5,000 are capitalised and depreciated over their estimated useful lives.

Leased assets

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

Investment properties

Investment properties are professionally revalued every 5 years to their fair value at the reporting date. Interim valuations are carried out annually using the Land Registry price index for residential properties and the Frank Knight Intelligence Prime Yield Guide for commercial properties to arrive at the year-end values.

Investments

Fixed asset investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits 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.

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

Taxation

The College is a registered charity (number 1141105) 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.

Pension costs

Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution 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 institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Employment benefits

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

Reserves

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

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

Critical accounting judgements

The preparation of the College's accounts requires the Trustees 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.

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

Income recognition

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

Useful lives of property, plant and equipment

Property plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Retirement benefit obligations

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 26.

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. The Trustees 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 financial statements.

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FOR THE YEAR ENDED 30 JUNE 2024

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	2024				2023			
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		£	£	£	£	£	£	£	£
Income									
Academic fees & charges	1	2,708,722	-	-	2,708,722	2,504,087	-	-	2,504,087
Residences & catering	2	4,194,141	-	-	4,194,141	4,138,712	-	-	4,138,712
Investment Income	3	80,022	34,015	1,401,630	1,515,667	685,618	217,250	-	902,868
Endowment return transferred	3	773,609	305,759	(1,079,368)	-	-	-	-	-
Total income before donations & endowments		7,756,494	339,774	322,262	8,418,530	7,328,417	217,250	-	7,545,667
Donations		253,225	119,964	-	373,189	396,755	168,347	-	565,102
New endowments		-	-	-	-	-	-	-	-
Capital grant from Colleges Fund		-	-	848,000	848,000	184,000	-	-	184,000
Other capital grants for assets		-	374,610	-	374,610	-	1,106	-	1,106
Total income		8,009,719	834,348	1,170,262	10,014,329	7,909,172	386,703	-	8,295,875
Expenditure									
Education	4	2,785,997	285,131	-	3,071,128	2,455,328	310,257	-	2,765,585
Residences & catering	5	4,032,404	-	-	4,032,404	4,110,522	-	-	4,110,522
Other expenditure	6	525,949	-	14,075	540,024	624,956	-	-	624,956
Change in USS pension deficit recovery provision contributions	8, 16	(245,939)	(19,411)	-	(265,350)	-	-	-	-
Total Expenditure		7,098,411	265,720	14,075	7,378,206	7,190,806	310,257	-	7,501,063
Surplus/(Deficit) before other gains and losses		911,308	568,628	1,156,187	2,636,123	718,366	76,446	-	794,812
Gains/(Losses) on disposal of fixed assets		-	-	-	-	-	-	-	-
Gains/(Losses) on investments		353,767	249,929	1,407,040	2,010,736	(5,720)	(4,952)	65,145	54,473
Surplus/(Deficit) for the year		1,265,075	818,557	2,563,227	4,646,859	712,646	71,494	65,145	849,285
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes		41,539	-	-	41,539	(39,435)	-	-	(39,435)
Total comprehensive income for the year		1,306,614	818,557	2,563,227	4,688,398	673,211	71,494	65,145	809,850

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2024
STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2023	51,814,883	5,090,516	24,913,313	81,818,712
Surplus/(Deficit) from income and expenditure statement	1,265,075	818,557	2,563,227	4,646,859
Other comprehensive income	41,539	-	-	41,539
Release of restricted capital funds spent in year	355,860	(355,860)	-	-
Balance at 30 June 2024	53,477,357	5,553,213	27,476,540	86,507,110

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2022	51,140,566	5,020,128	24,848,168	81,008,862
Surplus/(Deficit) from income and expenditure statement	712,646	71,494	65,145	849,285
Other comprehensive income	(39,435)	-	-	(39,435)
Release of restricted capital funds spent in year	1,106	(1,106)	-	-
Balance at 30 June 2023	51,814,883	5,090,516	24,913,313	81,818,712

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2024
BALANCE SHEET AS AT 30 JUNE 2024

	Note	2024 £	2023 £
Fixed Assets			
Tangible Assets	9	60,441,030	59,747,098
Investment Assets	10	37,790,364	35,796,023
		<u>98,231,394</u>	<u>95,543,121</u>
Current Assets			
Stock	11	51,893	49,561
Debtors	12	1,167,148	1,066,780
Cash	13	2,344,789	613,300
		<u>3,563,830</u>	<u>1,729,641</u>
Creditors	14	<u>1,594,417</u>	<u>1,371,520</u>
Net Current Assets/(Liabilities)		<u>1,969,413</u>	<u>358,121</u>
Creditors: more than one year	15	(13,000,000)	(13,000,000)
Provisions			
Pension provision	16	(693,697)	(1,082,530)
Net Assets		<u>86,507,110</u>	<u>81,818,712</u>
Restricted Reserves			
Income and expenditure reserve - endowment reserve	17	27,476,540	24,913,313
Income and expenditure reserve - restricted reserve	18	5,553,213	5,090,516
		<u>33,029,753</u>	<u>30,003,829</u>
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		53,477,357	51,814,883
		<u>53,477,357</u>	<u>51,814,883</u>
Total Reserves		<u>86,507,110</u>	<u>81,818,712</u>

These accounts were approved by the Trustees on 20 November 2024 and are signed on their behalf by:

M.R.W. Rands

.....
Dr M Rands, Master

DARWIN COLLEGE
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FOR THE YEAR ENDED 30 JUNE 2024

CASH FLOW STATEMENT

	Note	2024 £	2023 £
Net cash inflow from operating activities	20	1,715,503	299,955
Cash flows from investing activities	21	(377,910)	(16,880,835)
Cash flows from financing activities	22	393,896	395,295
Increase/(Decrease) in cash and cash equivalents in the year		<u>1,731,489</u>	<u>(16,185,585)</u>
Cash and cash equivalents at beginning of the year		613,300	16,798,885
Cash and cash equivalents at end of the year	13	<u>2,344,789</u>	<u>613,300</u>

DARWIN COLLEGE
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NOTES TO THE ACCOUNTS

1 Academic fees and charges	2024	2023
	£	£
Colleges fees:		
Fee income received at the Regulated undergraduate rate	11,670	26,432
Fee income received at the Unregulated rate	52,500	58,100
Fee income received at the Graduate fee rate	2,607,728	2,382,465
Other income	36,824	37,090
Total	2,708,722	2,504,087
2 Income from Accommodation and Catering	2024	2023
	£	£
Accommodation College members	3,436,367	3,426,118
Catering College members	757,774	722,595
Total	4,194,141	4,138,712
3 Endowment return and investment income		
3a Analysis	2024	2023
	£	£
Total Return Contribution (see note 3b)	1,079,368	-
Other investment income:		
Land and buildings	83,888	95,374
Quoted securities	830	789,932
Other interest receivable	29,319	17,562
Total	1,193,405	902,868
3b Summary of total return	2024	2023
Income from:	£	£
Quoted and other securities and cash	1,401,630	-
Gain/(Losses) on investments (see note 10)	2,123,441	-
	3,525,071	-
Investment management costs	(14,075)	-
Total return for the year	3,510,996	-
Total return transferred to income & expenditure	(1,079,368)	-
Unapplied total return for the year	2,431,628	-
4 Education expenditure	2024	2023
	£	£
Teaching	172,895	176,651
Tutorial	524,589	408,992
Admissions	722,998	606,828
Research	287,904	344,777
Scholarships and awards	461,224	400,550
Other educational facilities	901,518	827,787
Total (Note 7)	3,071,128	2,765,585

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5 Accommodation and Catering Expenditure	2024	2023
	£	£
Accommodation College members	2,641,097	2,742,270
Catering College members	1,391,307	1,368,252
Total (Note 7)	<u>4,032,404</u>	<u>4,110,522</u>

6 Other Expenditure	2024	2023
	£	£
Loan interest	393,896	395,295
Investment management fees and administration	10,092	114,050
USS pension interest charge	7,127	12,460
Other general and administrative expenditure	114,834	103,151
Total (Note 7)	<u>525,949</u>	<u>624,956</u>

7a Analysis of 2023/2024 expenditure by activity

	Staff costs (note 8)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,404,123	1,302,193	364,812	3,071,128
Accommodation and catering	1,514,432	1,666,744	851,228	4,032,404
Other	101,539	424,410	-	525,949
Change in USS pension deficit recovery provision contributions	(265,350)	-	-	(265,350)
Total	<u>2,754,744</u>	<u>3,393,347</u>	<u>1,216,040</u>	<u>7,364,131</u>

Expenditure includes fundraising costs of £308,440. This expenditure includes the costs of alumni relations.

7b Analysis of 2022/2023 expenditure by activity

	Staff costs (note 8)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,233,717	1,130,736	401,132	2,765,585
Accommodation and catering	1,430,152	1,744,394	935,976	4,110,522
Other	86,345	538,611	-	624,956
Change in USS pension deficit recovery provision contributions	(130,671)	-	-	(130,671)
Total	<u>2,619,543</u>	<u>3,413,741</u>	<u>1,337,108</u>	<u>7,370,392</u>

Expenditure includes fundraising costs of £331,989. This expenditure includes the costs of alumni relations.

DARWIN COLLEGE
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7c Auditors' remuneration	2024	2023
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	29,580	27,396
Other fees payable to the College's external auditors	1,698	1,572

8a Staff costs			2024	2023
	Academic	Non-Academic	Total	Total
	£	£	£	£
Salaries	426,812	2,000,124	2,426,936	2,280,059
National Insurance	35,946	237,007	272,953	252,693
Pension costs	66,768	253,437	320,205	217,462
Net change in USS deficit recovery provision (see Note 16)	(245,230)	(20,120)	(265,350)	(130,671)
Net pension cost	(178,462)	233,317	54,855	217,462
Total	284,296	2,470,448	2,754,744	2,750,214

Based on the 2024 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit of £265,350 (2023: £130,671). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £7,127 (2023: £12,460) and cash contributions made to reduce the deficit in the year of £10,016 (2023: £22,887).

	2024	2024	2023	2023
	Number of	Full-time	Number of	Full-time
	Fellows	equivalents	Fellows	equivalents
Academic	21		23	
Non-academic		57		56
Total	21	57	23	56

At the Balance Sheet date the Governing Body comprised of 70 Fellows, of which 9 served as Trustees on College Council. During the year the average number of Fellows receiving remuneration was 21 as shown above. The Trustees received no remuneration in their capacity as Trustees of the Charity.

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

	2024	2023
	Total	Total
£110,001 - £120,000	1	1
£120,001 - £130,000	-	1

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

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8b Key Management Personnel	2024	2023
	£	£
Aggregated remuneration of key management personnel	280,167	257,147

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. In Darwin College, the key management personnel are the Master, the Bursar and the Dean.

8c Pension Costs			2024	2023
	Employer contributions	Provisions (Note 16)	Total	Total
	£	£	£	£
USS	192,745	(5,082)	187,663	227,799
CCFPS	71,611	(265,350)	(193,739)	(50,936)
Other	60,931	-	60,931	40,599
	<u>325,287</u>	<u>(270,432)</u>	<u>54,855</u>	<u>217,462</u>

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DARWIN COLLEGE
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9 Fixed assets

Tangible fixed assets

	Land	College Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Motor Vehicles	2024	2023
	£	£	£	£	£	Total £	Total £
Cost or valuation							
At beginning of year	35,263,254	30,822,101	559,731	102,599	10,524	66,758,209	48,439,629
Transfer from assets under construction	-	-	-	-	-	-	-
Additions at cost	-	1,108,528	753,105	48,339	-	1,909,972	18,543,580
Disposal at cost	-	-	-	-	-	-	(225,000)
At end of year	<u>35,263,254</u>	<u>31,930,629</u>	<u>1,312,836</u>	<u>150,938</u>	<u>10,524</u>	<u>68,668,181</u>	<u>66,758,209</u>
Depreciation							
At beginning of year	64,108	6,326,798	559,731	49,950	10,524	7,011,111	5,332,140
Transfer to current assets	-	-	-	-	-	-	352,000
Charge for the year	64,108	1,129,102	-	22,830	-	1,216,040	1,337,108
Written back on disposal	-	-	-	-	-	-	(10,137)
At end of year	<u>128,216</u>	<u>7,455,900</u>	<u>559,731</u>	<u>72,780</u>	<u>10,524</u>	<u>8,227,151</u>	<u>7,011,111</u>
Net book value							
At end of year	<u>35,135,038</u>	<u>24,474,729</u>	<u>753,105</u>	<u>78,158</u>	<u>-</u>	<u>60,441,030</u>	<u>59,747,098</u>
At beginning of year	<u>35,199,146</u>	<u>24,495,303</u>	<u>-</u>	<u>52,649</u>	<u>-</u>	<u>59,747,098</u>	<u>43,107,489</u>

Land includes long leasehold land purchased last year costing £12,821,500 on a 200 year lease.

The insured value of freehold buildings as at 30 June 2024 was £52,280,618 (2023: £56,895,658).

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements in respect of assets under construction was £nil (2023: £nil)

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10 Investments	2024	2023
	£	£
Balance at beginning of year	35,796,023	35,934,564
Additions	3,087,827	35,909,748
Disposals	(1,893,668)	(35,479,201)
Gain/(Loss)	1,992,435	(408,792)
Increase/(Decrease) in cash balances held at fund managers	(1,192,253)	(160,296)
Balance at end of year	<u>37,790,364</u>	<u>35,796,023</u>
Represented by:		
Property	2,580,000	2,580,000
Quoted securities - equities	84,850	2,052,668
Fixed interest securities	-	-
Cash in hand at investment managers	30,565	1,222,818
Other	35,094,949	29,940,537
	<u>37,790,364</u>	<u>35,796,023</u>
11 Stocks	2024	2023
	£	£
Goods for resale	<u>51,893</u>	<u>49,561</u>
12 Trade and other receivables	2024	2023
	£	£
Members of the College	481,372	429,259
University fees	-	-
Other receivables	360,324	369,197
Prepayments and accrued income	325,452	268,324
	<u>1,167,148</u>	<u>1,066,780</u>
13 Cash and cash equivalents	2024	2023
	£	£
Short-term money market investments	-	-
Bank deposits	1,990,339	618,541
Current accounts	353,323	(6,435)
Cash in hand	1,127	1,194
	<u>2,344,789</u>	<u>613,300</u>

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14 Creditors: amounts falling due within one year	2024	2023
	£	£
Trade creditors	408,164	290,673
Members of the College	227,095	198,834
University fees	270,118	288,179
Other creditors	181,045	107,932
Accruals and deferred income	507,995	485,902
	<u>1,594,417</u>	<u>1,371,520</u>

15 Creditors: amounts falling due after more than one year	2024	2023
	£	£
Private Placement	13,000,000	13,000,000

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £3 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with two other Colleges, the College's share being £10 million. The loans are unsecured and repayable during 2058, and are at fixed interest rates of approximately 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt.

16 Pension provisions	CCFPS	USS	2024	2023
	£	£	Total	Total
			£	£
Balance at beginning of year	824,307	258,223	1,082,530	1,215,064
Movement in year:				
Current service cost including life assurance	215,611	42,022	257,633	345,978
Contributions	(304,682)	(34,895)	(339,577)	(387,276)
Other finance (income)/cost	-	-	-	-
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(41,539)	-	(41,539)	39,435
Net change in underlying assumptions (see Note 8):				
- Change in underlying assumptions	-	(255,334)	(255,334)	(107,784)
- USS deficit contributions payable	-	(10,016)	(10,016)	(22,887)
Balance at end of year	<u>693,697</u>	<u>-</u>	<u>693,697</u>	<u>1,082,530</u>

DARWIN COLLEGE
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17 Endowment funds

			2024	2023
	Restricted permanent endowments	Unrestricted permanent endowments	Total	Total
	£	£	£	£
Balance at beginning of year:				
Capital	4,899,177	20,014,136	24,913,313	24,848,168
New donations and endowments	-	848,000	848,000	-
Increase/(Decrease) in market value of investments	302,529	1,412,697	1,715,226	65,145
Transfer of funds	-	-	-	-
Balance at end of year	5,201,706	22,274,833	27,476,539	24,913,313
Analysis by type of purpose				
Fellowship Funds	3,009,019	-	3,009,019	2,834,016
Scholarship and Studentship Funds	1,196,946	-	1,196,946	1,127,332
Bursary Funds	692,918	-	692,918	652,618
Travel Grant Funds	274,437	-	274,437	258,476
Other Funds	28,386	-	28,386	26,735
General endowments	-	22,274,833	22,274,833	20,014,136
	5,201,706	22,274,833	27,476,539	24,913,313
Analysis by asset				
Property			2,580,000	2,580,000
Investments			24,896,539	22,333,313
Cash			-	-
			27,476,539	24,913,313

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DARWIN COLLEGE
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18 Restricted Reserves				2024	2023
Reserves with restrictions are as follows:	Capital grants unspent	Permanent unspent & other restricted income	Restricted expendable endowment	Total	Total
	£	£	£	£	£
Balance at beginning of year	-	3,081,928	2,008,588	5,090,516	5,020,128
New grants	-	-	-	-	-
New donations	374,610	119,964	-	494,574	169,453
Total investment return applied	-	241,642	64,117	305,759	-
Total investment return retained	-	145,596	104,333	249,929	-
Other investment income	-	22,980	11,035	34,015	217,250
Increase/(Decrease) in market value of investments	-	-	-	-	(4,952)
Expenditure	-	(210,044)	(55,676)	(265,720)	(310,257)
Capital grants utilised	(355,860)	-	-	(355,860)	(1,106)
Transfer to unrestricted	-	-	-	-	-
Balance at end of year	18,750	3,402,066	2,132,397	5,553,213	5,090,516
Analysis of other restricted funds/donations by type of purpose					
Fellowship Funds	-	1,435,869	17,686	1,453,555	1,306,056
Scholarship and Studentship Funds	-	1,304,711	2,114,711	3,419,422	3,181,721
Bursary Funds	-	583,576	-	583,576	535,081
Travel Grant Funds	-	59,598	-	59,598	51,192
Other Funds	-	18,312	-	18,312	16,466
General	18,750	-	-	18,750	-
	18,750	3,402,066	2,132,397	5,553,213	5,090,516
Analysis by asset					
Property				-	-
Investments				4,743,777	4,467,883
Cash				809,436	622,633
				5,553,213	5,090,516

DARWIN COLLEGE
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19 Memorandum of Unapplied Total Return	2024	2023
	£	£
Included within reserves the following amounts represent Unapplied Total Return of the College:		
Unapplied Total Return at the beginning of year	12,030,491	-
Unapplied Total Return for the year (see note 3b)	2,431,628	-
Unapplied Total Return at the end of year	14,462,119	-
20 Reconciliation of surplus for the year to net cash inflow from operating activities	2024	2023
	£	£
Surplus/(Deficit) for the year	4,688,398	809,850
Adjustment for non-cash items		
Depreciation	1,216,040	1,337,108
Investment management costs	-	-
(Gain)/loss on endowments and investment property	(2,010,736)	(54,473)
(Increase)/Decrease in stocks	(2,332)	(3,516)
(Increase)/Decrease in trade and other receivables	(100,368)	(398,952)
Increase/(Decrease) in creditors	222,896	40,635
Pension costs less contributions payable	(388,833)	(132,534)
Adjustment for investing or financing activities		
Investment income	(1,515,667)	(902,868)
Interest payable	(393,896)	(395,295)
Loan fees paid	-	-
Net cash inflow from operating activities	1,715,503	299,955
21 Cash flows from investing activities	2024	2023
	£	£
Non-current investment disposal	1,911,969	36,157,329
Investment income	1,515,667	902,868
Endowment funds invested	(3,087,827)	(35,909,748)
(Increase)/Decrease in cash balances held at fund managers	1,192,253	160,296
Payments made to acquire non-current fixed assets	(1,909,972)	(18,543,580)
Total cash flows from investing activities	(377,910)	(17,232,835)
22 Cash flows from financing activities	2024	2023
	£	£
Interest paid	393,896	395,295
New loan	-	-
New loan fees paid	-	-
Total cash flows from financing activities	393,896	395,295

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23 Consolidated reconciliation and analysis of net debt	At 1 July 2023 £	Cash flows £	At 30 June 2024 £
Cash and cash equivalents	613,300	1,731,489	2,344,789
Borrowings - amounts due within one year	-	-	-
Borrowings - amounts due after more than one year			
Unsecured loans	13,000,000	-	13,000,000
Net total	<u>(12,386,700)</u>	<u>1,731,489</u>	<u>(10,655,211)</u>

See note 15 for further details of the £13m unsecured debt, raised by private placements, at fixed interest-rates and repayable 2043 - 2058.

24 Financial Instruments	2024 £	2023 £
Financial Assets		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments	35,169,798	31,983,202
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments	10,001	10,001
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	2,344,789	613,300
Cash in hand at investment managers	30,565	1,222,818
Other debtors	1,167,148	714,780
Financial Liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	13,000,000	13,000,000
Trade creditors	408,164	290,673
Other creditors	1,186,253	1,080,848

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

25 Lease obligations	2024 £	2023 £
At 30 June 2024 the College had annual commitments under non-cancellable operating leases as follows:		
Land and buildings:		
Expiring within one year	190,764	185,207
Expiring between two and five years	398,869	589,632
Expiring in over five years	-	-

26 Pensions

The College participates in two defined benefit schemes, the Universities' Superannuation Scheme (USS) and the Cambridge Colleges' Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trustee-administered funds. The total pension cost for the 12 months to 30 June 2024 was £264,356 (2023: £277,303).

26a Universities' Superannuation Scheme

The total cost charged to the profit and loss account is £71,611 (2023: £79,735).

Deficit recovery contributions due within one year for the institution are £nil (2023: £42,472).

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

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), which 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.

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% p.a. from 2030
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rate)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

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

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2023 valuation

Mortality base table	101% of SAPS S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.4%p.a., 10% w2020 and w2021 parameters, and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. 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

26b Cambridge Colleges' Federated Pension Scheme

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

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

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

	2024	2023
	% p.a.	% p.a.
Discount rate	5.10	5.20
Increase in salaries to 2030	2.85	3.30
Increase in salaries from 2031	3.75	3.30
RPI assumption	3.35	3.40
CPI assumption to 2030	2.35	2.80
CPI assumption from 2031	3.25	2.80
Pension increases in payment (RPI Max 5% p.a.)	3.15	3.30
Pension Increases in payment (CPI Max 2.5% p.a.)	2.00	2.05

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2022 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2023: S3PA with CMI_2021 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.4 years (previously 21.4 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).

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

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

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

Employee Benefit Obligations

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

	2024	2023
	£	£
Present value of plan liabilities	(4,989,570)	(4,809,499)
Market value of plan assets	4,295,873	3,985,192
Net defined benefit asset/(liability)	<u>(693,697)</u>	<u>(824,307)</u>

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows.

	2024	2023
	£	£
Current service cost	152,547	201,958
Administrative costs	19,152	19,152
Interest on net defined benefit (asset)/liability	43,912	32,673
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	<u>215,611</u>	<u>253,783</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
	£	£
Present value of plan liabilities at beginning of period	4,809,499	5,357,246
Current service cost	152,547	201,958
Employee contributions	21,566	21,872
Benefits paid	(243,116)	(261,993)
Interest on plan liabilities	248,331	202,866
Actuarial (gains)/losses	743	(712,450)
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	<u>4,989,570</u>	<u>4,809,499</u>

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

	2024	2023
	£	£
Market value of plan assets at beginning of period	3,985,192	4,518,616
Contributions paid by the College	304,682	307,541
Employee contributions	21,566	21,872
Benefits paid	(243,116)	(261,993)
Administrative expenses paid	(23,943)	(25,013)
Interest on plan assets	204,419	170,193
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	47,073	(746,024)
Market value of plan assets at end of period	<u>4,295,873</u>	<u>3,985,192</u>
Actual return on plan assets	251,492	(575,831)

The major categories of 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	<u>100%</u>	<u>100%</u>

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

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

	2024	2023
	£	£
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	47,073	(746,024)
Expected less actual plan expenses	(4,791)	(5,861)
Experience gains and losses arising on plan liabilities	(16,860)	(521,444)
Changes in assumptions underlying the present value of plan liabilities	16,117	1,233,894
Remeasurement of net defined benefit liability recognised in OCI	<u>41,539</u>	<u>(39,435)</u>

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

	2024	2023
	£	£
Net defined benefit asset/(liability) at beginning of year	(824,307)	(838,630)
Recognised in the Statement of Comprehensive Income and Expenditure	(215,611)	(253,783)
Contributions paid by the College	304,682	307,541
Remeasurement of net defined benefit liability recognised in OCI	41,539	(39,435)
Net defined benefit asset/(liability) at end of year	<u>(693,697)</u>	<u>(824,307)</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 actuarial valuation was as at 31 March 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 27 June 2024 and are as follows:

- Annual contributions of not less than £120,556 per annum payable for the period from 1 July 2024 to 31 March 2030.

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

27 Related Party Transactions

Owing to the nature of the College's operations and the composition of its Trustees, it is possible that transactions will take place with organisations in which a Trustee may have an interest. All transactions involving organisations in which a Trustee 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 Trustees and where any Trustee 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 pastoral, educational and other duties within the College. Fellows are billed for any private catering. The Trustees remuneration is overseen by a Remuneration Sub-Committee of the College's Finance Committee, whose membership comprises independent external members, Fellows who are not Trustees, and the Bursar.

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

From:	To:	Number of Fellows	
		2024	2023
£0	£10,000	9	6
£10,001	£20,000	-	-
£20,001	£30,000	-	-
£30,001	£40,000	-	-
£40,001	£50,000	-	1
£50,001	£60,000	1	1
£60,001	£70,000	-	-
£70,001	£80,000	1	-
£80,001	£90,000	1	1
	Total	<u>12</u>	<u>9</u>

The total Trustee salaries were £238,645 for the year (2023: £212,381)

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £63,278 for the year (2023: £63,742)

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Accounts



**DARWIN COLLEGE
CAMBRIDGE**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
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PRELIMINARY INFORMATION

Body Corporate:

The Master and Fellows of Darwin College in the University of Cambridge

Address:

Silver Street, Cambridge CB3 9EU

Charity Registration Number:

1141105

Charity Trustees:

The College's Trustees for Financial Year 2022-23 were:

Dr M R W Rands	Master
Professor F E Karet	Vice-Master
Dr S Baker	Vice-Master
Dr D J Needham	Dean
Mr J T Dix	Bursar
Professor A F Blackwell	
Professor R P Cowburn	
Professor J B Rowe	
Professor C van Ruymbeke	
Ms C L Edmonds	(from 1 October 2022)
Ms S Maziliaukas	(from 1 October 2022)
Mr M Schneider	(from 15 November 2022)

Principal Advisers:

Auditors:

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

Bankers:

Barclays Bank plc (Corporate Banking)
Mortlock House
Histon
Cambridge CB4 9DE

Property Managers:

Cheffins, Chartered Surveyors
Clifton House
1 & 2 Clifton Road
Cambridge CB1 7EA

Investment Fund Managers:

Cazenove Capital Management Ltd
12 Moorgate
London EC2R 6DA

University of Cambridge Investment
Management Limited
The Old Schools
Trinity Lane
Cambridge CB2 1TN

REPORT OF THE TRUSTEES

INTRODUCTION

The College

Darwin College was founded in 1964 as the first graduate college in the University of Cambridge. The College was created an Approved Foundation on 29 January 1965, and was incorporated by Royal Charter dated 9 June 1976 as a Body Politic and Corporate under the name and style of "The Master and Fellows of Darwin College in the University of Cambridge". The College is an educational charity. It enjoyed exemption from registration from its foundation until 2010 when changes in charity law required it to become registered with the Charity Commission, which it has been since 4 April 2011. The main College site is at Silver Street, Cambridge, CB3 9EU.

Aims and Objectives of the College

The College's principal object under its Charter is to advance education, learning and research in the University of Cambridge. It pursues this objective by:

- Promoting and fostering excellence in academic education and learning through providing a community of scholarship for its graduate students.
- Creating and nurturing a vibrant and supportive research community for its Fellows, graduate students, other members, and visitors.
- Maintaining and enhancing the endowment, benefactions, buildings, grounds, and facilities of the College for the continuing benefit of current and future generations of members.

The maintenance of the College's financial viability for the present and long term, and of its independence and autonomy within the collegiate university, are consistent with and necessary conditions for the fulfilment of its charitable purposes.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an educational and support base for over 700 post-graduate students, and very occasionally undergraduate-status students in specific disciplines. The education under the Cambridge collegiate system is recognised internationally as being of the very highest standard. The teaching and research challenges and develops students academically, fosters leadership qualities and interpersonal skills, and prepares them to play full and effective roles in society, whether in the UK or in the 79 other countries from which the membership is currently drawn. Although only sixty years old, the College already numbers Nobel prize winners amongst its Fellows and alumni.

In particular, the College provides:

- Physical and technical facilities supporting its students in their individual study regimes, as well as supporting teaching activities in the wider University, and for seminars and a public lecture series of international renown;
- Pastoral, well-being, administrative, and academic support for its students through the Deanery with tutoring and mentoring provided by Fellows; and

- Social, cultural, sporting, musical and recreational facilities, enabling students to balance fully their academic and personal lives, and develop their potential, whilst studying in Cambridge.

The College advances research by:

- Providing currently 25 research fellowships and around 50 post-doctoral research associateships to outstanding researchers in the early stages of their careers; these appointments enable them to develop and focus intensively on their post-doctoral research work, in that crucially formative period prior to their taking on teaching duties in an academic post or research leadership roles elsewhere;
- Demonstrating the value of research degrees for addressing global challenges, and their potential impact on the knowledge economy both in the UK and internationally;
- Supporting the work of all its Fellows by creating and promoting international and interdisciplinary contact both informally and in seminars and lectures;
- Fostering academic networking, and access to and involvement in cutting-edge research, particularly by providing facilities for outstanding academics from other universities all over the world to make extended stays as Visiting Fellows and Visiting Researchers;
- Inducting the next generation of academics and researchers into a research culture which is inclusive and diverse; and
- Offering access to invaluable resources for all members of the College, particularly in the provision and maintenance of a Study Centre and Library, and extensive IT facilities.

Members of, and academic visitors to, the College, both students and Fellows, are the prime beneficiaries. They are directly engaged in education, learning and research and the College's students are the recipients of such direct financial support as the College is able to provide to those of limited financial means. More widely, other beneficiaries include students and academic staff from other Cambridge Colleges and the University of Cambridge. Academics from other higher-education institutions and returning alumni members of the College are given opportunities to undertake interdisciplinary research and establish contacts, attend educational events at the College, and make use of its academic facilities; in parallel, the wider public is encouraged to attend certain educational activities provided by the College such as lectures, seminars and concerts.

These activities serve to reinforce and underpin life-long learning. A particular example is the Annual Darwin College Lecture Series, now in its 38th year, which runs for eight weeks each Lent Term, and attracts audiences of many hundreds drawn from the general public as well as the student and academic community. Since 2007 most of the lectures have been made available online for a global audience, and cumulative downloads to date exceed one million. The theme of the 2023 lectures series was "Isolation" which explored the concept from a variety of angles. The lectures are collated, edited and published by the College, and the volumes entitled *Blood* (2021) and *Isolation* (2023) appeared during the year. The College has now added a series of termly public seminars known as the Erasmus Seminars in reference to the eighteenth-century example of Erasmus Darwin as a natural philosopher unconstrained by artificial disciplinary boundaries.

The College's pursuit of public benefit has been enhanced with the implementation of an Equity Diversity and Inclusion plan which seeks to ensure its policies and practices meet or exceed societal expectations in this area, and through the recent improvement and professionalisation of its communications function and a relaunch of its communication channels for better engagement with society more widely.

In fulfilling its charitable purposes of advancing education, learning and research, the College draws on its senior officers such as Master, Vice-Masters, Dean, and Bursar who receive stipends. These serve with other Fellows as charity trustees through being members of the College Council. Other stipendiary senior officers include the Development Director. Any employment and remuneration of the Master and Fellows is undertaken with the intention of furthering the College's aims and such employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through stipends and related benefits is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector. Without the services of its Master and Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

ACHIEVEMENTS AND PERFORMANCE

Academic Results and Student Body Profile

College members graduating in the 2022-23 academic year achieved 72 PhDs and 263 Masters-level degrees (2022: 85 and 240 respectively). 29 former students who had graduated in absentia during the COVID-19 pandemic returned to Cambridge to attend celebrations of the award of their degrees. Graduations at the end of the 2023 were affected by a marking and assessment boycott undertaken by academic staff as part of industrial action on pay and conditions. Students for whom marks were not available, and who were thus unable to proceed to graduate in the summer, were able to participate in graduation ceremonies by way of a celebration of their completion of studies. 9 College members did so.

In the 2022-23 academic year there were 788 student members of the College (for all or part of the year) (2022: 825). Of these 574 were fee-paying post-graduate students (including 35 who paid fees directly to the Judge Business School) and 214 were post-graduate students writing up or under examination (from whom the College receives no fees). The College's fee income in the year, under current arrangements within the collegiate University, is based on its number of fee-paying post-graduate students adjusted to a full-time equivalent, which for the year was 512.77 (2022: 549.67). 49.13% of fee-paying students were fully funded and 3.14% partially funded as to their combined graduate fees from sources of which the University or College is aware; the balance were self-funded or funded from sources of which the College is not formally aware.

Financial Overview

The College's income comprises academic fees, charges for student accommodation and catering services, investment income, and individual and corporate donations and bequests. Its expenditure comprises the costs of education, of providing and maintaining student residences and catering, of investment and property management, and of development fundraising and alumni relations; and expenditure includes all staff costs and depreciation. In the 2022-23 year the College made a surplus on its general operational activities (before donations, grants and other gains and losses) of £44,604 (2022: deficit of £232,693). Donations of £565,101 (2022: £1,542,152) and a grant from the Colleges Fund of £184,000 (2022: £164,000) were gratefully received in the year.

The net assets of the College at 30 June 2023 were £81,818,712 (2022: £81,008,862).

The College's restricted and endowment reserves at 30 June 2023 were £30,003,829 having increased by £135,533 in the year from £29,868,296. The restricted reserves comprise £9,989,693 of restricted

or trust funds for defined educational purposes and £20,014,136 of endowment funds or general corporate capital funds, the income from which is essential to fund the deficit which would otherwise arise on the College's academic activities and student services. The College's unrestricted reserves have increased by £674,317 from £51,140,566 to £51,814,883. This total includes the College's cash reserves and some investment assets, but the great majority of such funds are fixed assets in the form of the College's operational land and buildings. The College's total reserves are reduced by a provision for pension liabilities of £1,082,530 (2022: £1,215,064).

The College has issued £13million of unsecured fixed interest rate debt raised by way of private placings. The weighted average rate of interest is 3.06% and repayment of the capital is due in the period 2043-2058. This funding was raised for the purpose of further investment in revenue generating operational assets for the College and has been applied to the purchase of the 44 flats known as Causewayside on Fen Causeway, Cambridge.

Benefactions and Donations

The College is most grateful for donations and bequests (including of royalties), from alumni and from other supporters and organisations. This generosity enables the College to extend and enhance its support for students and Fellows, for the Darwin College Lecture Series, and for its physical estate. Current priorities include fundraising for studentships and student hardship, research fellowships, promoting and acting on global challenges, as well as improving elements of the estate for students staff and Fellows, and increasing the stock of student accommodation close to the College site.

Over the course of the year £320,253 (2022: £1,739,114) was raised. A total of 407 (2022: 332) individual and organisational donors contributed in the year at a variety of levels. The College is immensely grateful to them for their support.

The College spent £331,989 (2022: £247,984) on fundraising and alumni relations in the year. Increased costs relate to staffing changes in the year and preparation for a forthcoming fundraising campaign. These costs are incurred as the College supports a fast-growing – and global – community of alumni. During the year, the College's events programme has had a mixture of in-person and online events. The College invests in communicating with alumni and other supporters through the College magazine, The Darwinian, as well as making use of electronic and social media.

The College is registered with Fundraising Regulator and follows its Code of Fundraising Practice. The following information is provided under the Code and in line with Charity Commission guidance. The College raises money through telephone fundraising, direct mail (by post and email) and in person one-to-one meetings. The College employs a professional Director of Development to lead fundraising activity. The work of the Director and development team is overseen by an internal committee and the Director reports directly to the Master of the College. New staff and others involved with fundraising are trained on the Code as part of induction and are required to comply with the Code. There were no compliance issues or complaints about fundraising during the year. The College did not employ any 'on behalf of' fundraising staff or contractors during the year. The College protects vulnerable people and members of the public from undue pressure to make donations and intrusion into their privacy by:

- Training staff involved in fundraising activities about what vulnerabilities might be encountered and how to recognise them;
- Allowing potential donors (usually alumni) to opt-out in advance of any or all fundraising campaigns – through sending email and postal notifications with details of how to inform the College;

- Maintaining contact preferences for alumni on a database and checking this when selecting people to approach to ask for donations;
- Training anyone who asks for donations how to ask and (if during a telephone fundraising call) to ask only once; and
- Not persisting with requests for meetings about fundraising when no response is consistently received after several attempts to make contact.

Endowment and Investment Performance

The College's financial investments are comprised of its invested endowment. The College, as a permanently endowed charity, adopts a long-term time horizon when making investments of its endowment. The College is advised on investment matters, via the Finance (and Investments) Committee, by its fund managers and independent external members co-opted to the Committee.

The return in the year on the College's corporate capital (unrestricted endowment) fund and on its (restricted endowment) trust pool fund was 2.1% net of fees. No withdrawal of invested capital from these funds was required or made in the year. Dividends and income received on quoted securities increased year-on-year to £789,932 (2022: £651,299). All investment income received is applied in the pursuit of the charitable objects of the College.

The College encourages socially responsible investment, and monitors its investments against environmental, social and governance standards. Under its investment policy it will not invest in entities where: the investment may conflict, or be inconsistent, with primary aims, objectives and activities of the College; the investment might alienate the College's supporters or potential supporters; the investment may be reputationally damaging; the investment is considered by the Trustees to be unethical; or the investment might otherwise hamper the work of the College. In pursuance of this policy the College recognises that climate change is a real and present danger, and encourages debate on the appropriate response by the College to the risks climate change represents. The College seeks to support sustainability, carbon reduction, the development of renewable energy sources, and action to mitigate the effects of adverse climate change. Consequently, it has divested from fossil fuel companies in which it held shares, has invested in positive investment opportunities, and maintains its direct and indirect holdings under review to ensure these remain consistent with its investment policy.

Reserves policy

The College intends to continue to pursue its objectives in perpetuity. It therefore aims to protect and maintain the real value of its permanent corporate and trust capital, and to continue to increase its unrestricted funds and reserves for the long term, whilst seeking an equitable funding balance between the interests and aspirations of present members and those yet to come, and also retaining an ability to cope with sudden unforeseen financial upheavals and to take advantage of unexpected opportunities. Any new donations or bequests to the College are added to the unrestricted funds unless the donor has made it clear that the funds are to be used for a specific purpose.

The College's free reserves stood at the year end at £5,067,785, being its unrestricted reserves and long-term debt totalling £64,814,883 less the amount committed to functional assets (represented by the total of its tangible fixed assets) of £59,747,098. Free reserves provide a notional measure of resources available for general purposes which are not restricted or committed. The College seeks to ensure that its free reserves approximate or exceed one year's expenditure at current levels. Free reserves at the year-end represented 70% of expenditure incurred during the year. Long-term debt is

excluded from the calculation on the basis that the College will accrue sufficient additional reserves to repay the debts when due.

Capital Expenditure

On 13 July 2022 the College completed the purchase, on a 200-year lease from the University of Cambridge, of the property known as Causewayside, Cambridge. Causewayside comprises 44 flats, built in the mid twentieth century, on a large riverside site adjacent to the College's existing properties at Gwen Raverat House and on Newnham Road. The flats were tenanted on purchase and as flats become vacant priority will be given to College members seeking accommodation. The total consideration was £17,325,000, to which the major part of the cash on the balance sheet on 30 June 2022 was applied. The purchase completes the deployment in revenue generating accommodation assets of the proceeds of the long-term fixed interest debt raised by the College in private placings.

Building Renewals and Maintenance

The College's buildings on its main site are mainly eighteenth and nineteenth century with modern additions, and adapted houses and purpose-built student hostels off-domus. The buildings are maintained according to a comprehensive long-term rolling maintenance programme which seeks to ensure timely refurbishment, to a standard to minimise unplanned and costly remedial works, carried out within tight budget controls. There was a particular focus during the year on the inherited maintenance backlog at Causewayside, with work carried out in relation to fire safety, electricity upgrading, removal of redundant plant, flat refurbishments, and painting and decorating.

The College has developed a decarbonisation strategy focussing on degasification, as gas consumption for heating and hot water represents over 90% of the College's direct carbon emissions.

A Public Sector Decarbonisation Fund grant was awarded to the College for degasification work at the College's Frank Young House 26 bed hostel on Wordsworth Grove and the work to replace the glazing, upgrade insulation and install air source heat pumps is underway.

The intercollegiate study to monitor the River Cam's temperature and flow initiated by the College was completed during the year and confirmed in principle the viability of river source heat as the main replacement for gas for the College's main site and possibly for the Newnham Road / Causewayside cluster. A Public Sector Low Carbon Skills Fund grant has been awarded to the College to enable it to commission the engineering and architectural design work required to advance this scheme.

Pensions

The College has members of staff in the Universities' Superannuation Scheme (USS), a defined contribution workplace pension scheme, and the Cambridge Colleges' Federated Pension Scheme (CCFPS) (closed to new members).

The College had 17 active USS members at 30 June 2023, although many Fellows will be USS members though their employment by the University. The USS valuation as at 31 March 2020 valued the assets of the scheme at £66.5 billion and valued its technical provisions at £80.6 billion, indicating a shortfall of £14.1 billion (and a funding ratio of 83%). The College is, taken apart from the University, a very small employer within the scheme. It has considered how to deal with the issues of conflict of interest for Fellows and Trustees should the College wish to take an active part in USS consultations regarding the scheme.

The most recent actuarial review of the CCFPS was as at 30 June 2023. The College's overall benefit funding liability has decreased to £824,307 (2022: £838,630).

Principal Risks and Uncertainties

The main risks and uncertainties facing the College are those connected with the following matters:

- Economic factors, including the rising cost of living, which might adversely affect the affordability for students and funders of graduate study and College's ability to provide its services to members and to maintain its sources of income, particularly endowment income, donations, fees and rents;
- The medium- and longer-term impact of the United Kingdom leaving the European Union, particularly where Brexit has affected research funding arrangements and student enrolments;
- Any re-emergence of the threat to public health represented by the COVID-19 global pandemic;
- The impact of climate change generally including the College's need to undertake major and expensive decarbonisation work and meet its net carbon zero commitment by 2032;
- External political and economic threats to the continuing attractiveness of the University to the diverse global academic elite, whether as applicant students, post-doctoral researchers, or academics;
- Increasing societal concerns regarding student mental health and well-being where the College must ensure that its pastoral functions adapt and remain effective;
- The need to minimise reputational risk through high standards and appropriate policies in areas in which the College might be the focus of activism or media attention;
- The escalating costs of providing and maintaining buildings and accommodation which are of suitable quality and in the best locations to meet the needs of students;
- Reductions in the sources of funding for post-graduate study and changes in the relative attractiveness of study at Cambridge may affect future enrolments; and
- Local factors relating to the City of Cambridge, including a shortage of affordable housing, congestion, and deficiencies in public transport will add to the challenges of recruiting and retaining College staff and will increase operating costs.

The College reviews risks generally at an institutional level and at an operational level. Major risks to which the College is or may be exposed from time to time are reviewed regularly by all College committees within their terms of reference, and reported to College Council and Governing Body. A risk register is maintained to monitor, mitigate or remove major risks as they are identified. Operational risks are reviewed at a departmental level and appropriate procedures put in place to monitor and control such risks.

Plans for the future

In 2022-23 the College began to implement the Strategic Plan for Darwin College 2022-2032, as approved by College Council and endorsed by the Governing Body in 2022. The Plan sets out five strategic priority areas: strengthening the College's contribution to academic excellence and research impact; fostering a diverse and inclusive College community; enhancing the College estate, facilities and services; expanding and diversifying College revenue; and acting on and promoting solutions to global challenges, including sustainability. Key to delivering these will be developing and launching a College fundraising campaign. To celebrate the College's achievements and contribution to education,

research and society more widely since its foundation in 1964, a number of in-person and on-line events are planned for College members, alumni and the general public in 2024.

GOVERNANCE

Corporate Governance

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the management of the College's resources and audit oversight.

The College is a registered charity (Registered Number 1141105) and subject to regulation by the Charity Commission for England and Wales. The College Council provides the trustees of the charity and they are responsible for ensuring compliance with charity law. The Trustees are advised in meeting those duties by a number of Committees, and internal and external professionally qualified advisers. Members of the College Council forming the Trustee Body during the year to 30 June 2023 are indicated at Page 2.

The Principal Officers of the College under Statute are the Master, Vice-Master, Dean, and Bursar, and the holders of these offices during the year are identified on Page 2. Two joint Vice-Masters continue to share the duties of the office, and of whom Professor F E Karet serves as Vice-Master for statutory purposes.

The Governing Body, comprising the Master and Fellows under Titles A, C, D, and E, holds at least six meetings a year, with the November/December meeting being the Annual Meeting.

The College Council comprises the Master, Vice-Masters, Dean, and Bursar ex-officio, four Fellows elected by the Governing Body, and three students. The current Student Association President is a member ex-officio, and two further student members are elected directly by the student body each year. The College Council meets on a regular basis throughout the year and is responsible for the everyday administration of the College in all matters not allocated by Statute to the Governing Body or the Finance Committee. The College Council makes regular reports to each meeting of the Governing Body.

The Finance (and Investments) Committee, composed of the Master, Vice-Master, and Bursar ex-officio, and three Fellows elected by the Governing Body to serve from the beginning of a given academic year, manages the College investments and, with a directly elected student representative, controls and administers the revenues and expenditures in accordance with College Statutes, Ordinances, and the Charities Act. When acting as the Investment Committee, the membership is reinforced by up to three external members, and the College's investment managers are in attendance.

It is the specified duty of the Finance Committee to keep under constant review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external auditors; to give initial consideration to reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make periodic formal Reports to the Trustees and Governing Body.

Registers of Interests in a form prescribed by the College's Conflicts of Interest Policy are maintained for the Trustees, and Related Party forms are obtained from the Trustees and senior staff as part of

the annual audit. The declaration of interests is a formal agenda item at the beginning of every College meeting.

Statement on Internal Control

The Trustees are responsible for ensuring a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding public and other funds and assets for which the charity holds responsibility, in accordance with College Statutes and Ordinances, and the Charities Act 2006.

The systems of internal control are designed to identify the principal risks bearing on the achievement of aims, objectives and policies, to evaluate the nature and extent of those risks, and to ameliorate and control them efficiently, effectively and economically. The systems of internal control are structured realistically to identify and control most of the risks of failure to achieve aims, objectives and policies, rather than attempt to eliminate risk entirely; it therefore provides reasonable, but not absolute, assurance of effectiveness. These processes were in place for the year ended 30 June 2023 and throughout the period to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the systems of internal control. The Trustees' continual review of the effectiveness of the systems is informed by the work of the various Committees, the Bursar, and the College Officers who hold responsibility for the development and application of an internal control framework and for the investigation and resolution of any comments raised by the external auditors in their post audit and other reports.

General Responsibilities of the Trustees

The Trustees are responsible for the preparation of the Annual Report and financial statements in accordance with applicable law and having regard to United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The College Statutes and Ordinances, and those of the University of Cambridge, require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that 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 inappropriate to presume that the College would continue in operation.

The Trustees are responsible for keeping accounting records which, at any time, disclose with reasonable accuracy 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.

Approved by the Trustees on 15th November 2023



J T Dix, Bursar

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DARWIN COLLEGE

Opinion

We have audited the financial statements of Darwin College (the 'College') for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual 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 trustees

As explained more fully in the responsibilities of the trustees' statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with relevant regulators and the College's legal advisors.

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

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

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

Use of our report

This report is made solely to the College's trustees as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 2023

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

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

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

Basis of accounting

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

Going Concern

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2023 year-end up to December 2024. The College has also set a detailed budget plan for the financial year 2023-24. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans demonstrate that the College has sufficient resources to meet liabilities as they fall due. The Trustees consider preparation of these financial statements using a going concern basis to be appropriate.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

Restricted 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 are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Other income

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

Cambridge Bursary Scheme

In 2022-23, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £2,800 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£2,800
Expenditure	£5,600

Tangible fixed assets

Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to 1 July 2014, the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of between 50 and 100 years.

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

Furniture, Fittings and Equipment

Furniture, fittings and equipment in excess of £5,000 are capitalised and depreciated over their estimated useful lives.

Leased assets

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

Investments

Fixed asset investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits 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.

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

Taxation

The College is a registered charity (number 1141105) 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.

Pension costs

Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution 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 institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Employment benefits

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

Reserves

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

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

Critical accounting judgements

The preparation of the College's accounts requires the Trustees 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.

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

Income recognition

Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and

determining the appropriate recognition timing for donations, bequests and legacies. In general, the latter are recognised when at the probate stage.

Useful lives of property, plant and equipment

Property plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Retirement benefit obligations

The cost of defined benefit pension plans is 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 24.

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. The Trustees 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 financial statements.

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	2023				2022			
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		£	£	£	£	£	£	£	£
Income									
Academic fees & charges	1	2,504,087	-	-	2,504,087	2,520,074	-	-	2,520,074
Residences & catering	2	4,138,712	-	-	4,138,712	3,105,753	-	-	3,105,753
Investment Income	3	685,618	217,250	-	902,868	509,259	245,476	-	754,735
Total income before donations & endowments		7,328,417	217,250	-	7,545,667	6,135,086	245,476	-	6,380,562
Donations		396,755	168,347	-	565,102	1,490,552	51,601	-	1,542,153
New endowments		-	-	-	-	-	-	-	-
Capital grant from Colleges Fund		184,000	-	-	184,000	164,000	-	-	164,000
Other capital grants for assets		-	1,106	-	1,106	-	1,066	-	1,066
Total income		7,909,172	386,703	-	8,295,875	7,789,638	298,143	-	8,087,781
Expenditure									
Education	4	2,455,328	310,257	-	2,765,585	2,462,417	292,013	-	2,754,430
Residences & catering	5	4,110,522	-	-	4,110,522	3,240,270	-	-	3,240,270
Other expenditure		624,956	-	-	624,956	618,555	-	-	618,555
Total Expenditure		7,190,806	310,257	-	7,501,063	6,321,242	292,013	-	6,613,255
Surplus/(Deficit) before other gains and losses		718,366	76,446	-	794,812	1,468,396	6,130	-	1,474,526
Gains/(Losses) on disposal of fixed assets		-	-	-	-	-	-	-	-
Gains/(Losses) on investments		(5,720)	(4,952)	65,145	54,473	(494,596)	(185,991)	(809,101)	(1,489,688)
Surplus/(Deficit) for the year		712,646	71,494	65,145	849,285	973,800	(179,861)	(809,101)	(15,162)
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes		(39,435)	-	-	(39,435)	1,171,299	-	-	1,171,299
Total comprehensive income for the year		673,211	71,494	65,145	809,850	2,145,099	(179,861)	(809,101)	1,156,137

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023

STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2022	51,140,566	5,020,128	24,848,168	81,008,862
Surplus/(Deficit) from income and expenditure statement	712,646	71,494	65,145	849,285
Other comprehensive income	(39,435)	-	-	(39,435)
Release of restricted capital funds spent in year	1,106	(1,106)	-	-
Balance at 30 June 2023	51,814,883	5,090,516	24,913,313	81,818,712

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2021	48,994,401	5,201,055	25,657,269	79,852,725
Surplus/(Deficit) from income and expenditure statement	973,800	(179,861)	(809,101)	(15,162)
Other comprehensive income	1,171,299	-	-	1,171,299
Release of restricted capital funds spent in year	1,066	(1,066)	-	-
Balance at 30 June 2022	51,140,566	5,020,128	24,848,168	81,008,862

DARWIN COLLEGE
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FOR THE YEAR ENDED 30 JUNE 2023

BALANCE SHEET AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed Assets			
Tangible Assets	8	59,747,098	43,107,489
Investment Assets	9	35,796,023	35,934,564
		<u>95,543,121</u>	<u>79,042,053</u>
Current Assets			
Stock	10	49,561	46,045
Debtors	11	1,066,780	667,827
Cash	12	613,300	16,798,885
		<u>1,729,641</u>	<u>17,512,757</u>
Creditors	13	<u>1,371,521</u>	<u>1,330,884</u>
Net Current Assets/(Liabilities)		<u>358,120</u>	<u>16,181,873</u>
Creditors: more than one year	14	(13,000,000)	(13,000,000)
Provisions			
Pension provision	15	(1,082,530)	(1,215,064)
Net Assets		<u>81,818,712</u>	<u>81,008,862</u>
Restricted Reserves			
Income and expenditure reserve - endowment reserve	16	24,913,313	24,848,168
Income and expenditure reserve - restricted reserve	17	5,090,516	5,020,128
		<u>30,003,829</u>	<u>29,868,296</u>
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		51,814,883	51,140,566
		<u>51,814,883</u>	<u>51,140,566</u>
Total Reserves		<u>81,818,712</u>	<u>81,008,862</u>

These accounts were approved by the Trustees on 15th November 2023 and are signed on their behalf by:

M.R.W. Rands

.....
Dr M Rands, Master

DARWIN COLLEGE
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CASH FLOW STATEMENT

	Note	2023 £	2022 £
Net cash inflow from operating activities	18	651,955	1,843,584
Cash flows from investing activities	19	(17,232,835)	4,754,224
Cash flows from financing activities	20	395,295	395,885
Increase/(Decrease) in cash and cash equivalents in the year		<u>(16,185,585)</u>	<u>6,993,693</u>
Cash and cash equivalents at beginning of the year		16,798,885	9,805,192
Cash and cash equivalents at end of the year	12	<u>613,300</u>	<u>16,798,885</u>

NOTES TO THE ACCOUNTS

1 Academic fees and charges	2023	2022
	£	£
Colleges fees:		
Fee income received at the Regulated undergraduate rate	26,432	10,998
Fee income received at the Unregulated rate	58,100	23,700
Fee income received at the Graduate fee rate	2,382,465	2,462,328
Other income	37,090	23,048
Total	2,504,087	2,520,074
2 Income from Accommodation and Catering	2023	2022
	£	£
Accommodation College members	3,426,118	2,669,588
Catering College members	722,595	436,165
Total	4,138,712	3,105,753
3 Endowment return and investment income	2023	2022
	£	£
Income from:		
Land and buildings	95,374	84,713
Quoted securities	789,932	651,299
Other interest receivable	17,562	18,723
Total	902,868	754,735
4 Education expenditure	2023	2022
	£	£
Teaching	176,651	131,084
Tutorial	408,992	498,729
Admissions	606,828	659,183
Research	344,777	374,969
Scholarships and awards	400,550	360,743
Other educational facilities	827,788	729,722
Total (Note 6)	2,765,585	2,754,430

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5 Accommodation and Catering Expenditure	2023	2022
	£	£
Accommodation College members	2,742,270	2,183,932
Catering College members	1,368,252	1,056,338
Total (Note 6)	4,110,522	3,240,270

6a Analysis of 2022/2023 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,233,717	1,130,736	401,132	2,765,585
Accommodation and catering	1,430,152	1,744,394	935,976	4,110,522
Other	86,345	538,611	-	624,956
Total	2,750,214	3,413,741	1,337,108	7,501,063

Expenditure includes fundraising costs of £331,989. This expenditure includes the costs of alumni relations.

6b Analysis of 2021/2022 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,430,742	1,072,760	250,928	2,754,430
Accommodation and catering	1,302,315	1,352,455	585,500	3,240,270
Other	94,695	523,860	-	618,555
Total	2,827,752	2,949,075	836,428	6,613,255

Expenditure includes fundraising costs of £247,984. This expenditure includes the costs of alumni relations.

6c Auditors' remuneration	2023	2022
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	27,396	21,978
Other fees payable to the College's external auditors	1,572	2,220

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7a Staff costs

	Academic	Non- Academic	2023 Total	2022 Total
	£	£	£	£
Staff costs:				
Salaries	456,745	1,823,314	2,280,059	1,963,420
National Insurance	35,692	217,001	252,693	149,764
Pension costs	(46,071)	263,533	217,462	714,568
	<u>446,366</u>	<u>2,303,848</u>	<u>2,750,214</u>	<u>2,827,752</u>
	2023 Number of Fellows	2023 Full-time equivalents	2022 Number of Fellows	2022 Full-time equivalents
Academic	23		26	
Non-academic		56		52
Total	<u>23</u>	<u>56</u>	<u>26</u>	<u>52</u>

At the Balance Sheet date the Governing Body comprised of 70 Fellows, of which 9 served as Trustees on College Council. During the year the average number of Fellows receiving remuneration was 23 as shown above. The Trustees received no remuneration in their capacity as Trustees of the Charity.

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

	2023 Total	2022 Total
£110,001 -		
£120,000	1	1
£120,001 -		
£130,000	1	0

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

7b Key Management Personnel

	2023 £	2022 £
Aggregated remuneration of key management personnel	257,147	245,237

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

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8 Fixed assets

Tangible fixed assets

	Land	College Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Motor Vehicles	2023 Total £	2022 Total £
	£	£	£	£	£	£	£
Cost or valuation							
At beginning of year	22,391,754	24,565,123	1,435,440	36,788	10,524	48,439,629	46,748,991
Transfer from assets under construction	-	1,103,719	(1,103,719)	-	-	-	-
Additions at cost	13,046,500	5,203,259	228,010	65,811	-	18,543,580	3,098,638
Disposal at cost	(175,000)	(50,000)	-	-	-	(225,000)	(1,408,000)
At end of year	<u>36,263,254</u>	<u>30,822,101</u>	<u>559,731</u>	<u>102,599</u>	<u>10,524</u>	<u>66,758,209</u>	<u>48,439,629</u>
Depreciation							
At beginning of year	-	5,285,066	-	36,788	10,286	5,332,140	4,495,712
Transfer to current assets	-	-	352,000	-	-	352,000	-
Charge for the year	64,108	1,051,869	207,731	13,162	238	1,337,108	836,428
Written back on disposal	-	(10,137)	-	-	-	(10,137)	-
At end of year	<u>64,108</u>	<u>6,326,798</u>	<u>559,731</u>	<u>49,950</u>	<u>10,524</u>	<u>7,011,111</u>	<u>5,332,140</u>
Net book value							
At end of year	<u>35,199,146</u>	<u>24,495,303</u>	<u>-</u>	<u>52,649</u>	<u>-</u>	<u>59,747,098</u>	<u>43,107,489</u>
At beginning of year	<u>22,391,754</u>	<u>19,280,057</u>	<u>1,435,440</u>	<u>-</u>	<u>238</u>	<u>43,107,489</u>	<u>42,253,279</u>

Land includes long-leasehold land purchased in the year costing £12,821,500 on a 200 year lease.

The insured value of freehold buildings as at 30 June 2023 was £56,895,658 (2022: £42,997,019).

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements in respect of assets under construction was £nil (2022: £207,700)

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9 Investments

	2023	2022
	£	£
Balance at beginning of year	35,934,564	43,114,379
Additions	35,909,748	8,688,394
Disposals	(35,479,201)	(9,641,845)
Gain/(Loss)	(408,792)	(1,075,262)
Increase/(Decrease) in cash balances held at fund managers	(160,296)	(5,151,102)
Balance at end of year	<u>35,796,023</u>	<u>35,934,564</u>
Represented by:		
Property	2,580,000	2,580,000
Quoted securities - equities	2,052,668	24,737,883
Fixed interest securities	-	2,558,187
Cash in hand at investment managers	1,222,818	1,383,114
Other	29,940,537	4,675,380
	<u>35,796,023</u>	<u>35,934,564</u>

10 Stocks

	2023	2022
	£	£
Goods for resale	<u>49,561</u>	<u>46,045</u>

11 Trade and other receivables

	2023	2022
	£	£
Members of the College	429,259	417,434
University fees	-	-
Other receivables	369,197	11,509
Prepayments and accrued income	268,324	238,884
	<u>1,066,780</u>	<u>667,827</u>

12 Cash and cash equivalents

	2023	2022
	£	£
Short-term money market investments	-	-
Bank deposits	618,541	16,398,263
Current accounts	(6,435)	397,660
Cash in hand	1,194	2,962
	<u>613,300</u>	<u>16,798,885</u>

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13 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	290,673	216,829
Members of the College	198,834	182,052
University fees	288,179	366,441
Other creditors	107,932	76,404
Accruals and deferred income	485,903	489,158
	<u>1,371,521</u>	<u>1,330,884</u>

14 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Private Placement	13,000,000	13,000,000

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £3 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with two other Colleges, the College's share being £10 million. The loans are unsecured and repayable during 2058, and are at fixed interest rates of approximately 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt.

15 Pension provisions

	CCFPS	USS	2023	2022
	£	£	Total	Total
	£	£	£	£
Balance at beginning of year	838,630	376,434	1,215,064	2,055,234
Movement in year:				
Current service cost including life assurance	253,783	(38,476)	215,307	720,520
Contributions	(307,541)	(79,735)	(387,276)	(389,391)
Other finance (income)/cost	-	-	-	-
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	39,435	-	39,435	(1,171,299)
Balance at end of year	<u>824,307</u>	<u>258,223</u>	<u>1,082,530</u>	<u>1,215,064</u>

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16 Endowment funds

	Restricted permanent endowments	Unrestricted permanent endowments	2023	2022
	£	£	Total	Total
			£	£
Balance at beginning of year:				
Capital	4,902,697	19,945,471	24,848,168	25,657,269
New donations and endowments	-	-	-	-
Increase/(Decrease) in market value of investments	(3,520)	68,665	65,145	(809,101)
Transfer of funds	-	-	-	-
Balance at end of year	<u>4,899,177</u>	<u>20,014,136</u>	<u>24,913,313</u>	<u>24,848,168</u>
Analysis by type of purpose				
Fellowship Funds	2,834,016	-	2,834,016	2,836,052
Scholarship and Studentship Funds	1,127,332	-	1,127,332	1,128,142
Bursary Funds	652,618	-	652,618	653,087
Travel Grant Funds	258,476	-	258,476	258,662
Other Funds	26,735	-	26,735	26,754
General endowments	-	20,014,136	20,014,136	19,945,471
	<u>4,899,177</u>	<u>20,014,136</u>	<u>24,913,313</u>	<u>24,848,168</u>
Analysis by asset				
Property			2,580,000	2,480,000
Investments			22,333,313	22,368,168
Cash			-	-
			<u>24,913,313</u>	<u>24,848,168</u>

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17 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £	Permanent unspent & other restricted income £	Restricted expendable endowment £	2023 Total £	2022 Total £
Balance at beginning of year:	-	2,999,253	2,020,875	5,020,128	5,201,055
New grants	-	-	-	-	-
New donations	1,066	167,872	474	169,453	52,667
Endowment return transferred	-	-	-	-	-
Other investment income	-	173,175	44,075	217,250	245,476
Increase/(Decrease) in market value of investments	-	(3,310)	(1,642)	(4,952)	(185,991)
Expenditure	-	(255,062)	(55,195)	(310,257)	(292,013)
Capital grants utilised	(1,066)	-	-	(1,106)	(1,066)
Transfer to unrestricted	-	-	-	-	-
Balance at end of year	-	3,081,928	2,008,588	5,090,516	5,020,128
Analysis of other restricted funds/donations by type of purpose					
Fellowship Funds	-	1,274,035	32,021	1,306,056	1,309,137
Scholarship and Studentship Funds	-	1,205,154	1,976,567	3,181,721	3,121,498
Bursary Funds	-	535,081	-	535,081	535,118
Travel Grant Funds	-	51,192	-	51,192	34,344
Other Funds	-	16,466	-	16,466	20,030
General	-	-	-	-	-
	-	3,081,928	2,008,588	5,090,516	5,020,128
Analysis by asset					
Property				-	-
Investments				4,467,883	4,471,092
Cash				622,633	549,036
				5,090,516	5,020,128

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

	2023	2022
	£	£
Surplus/(Deficit) for the year	809,850	1,156,137
Adjustment for non-cash items		
Depreciation	1,337,108	836,428
Investment management costs	-	-
(Gain)/loss on endowments and investment property	(54,473)	1,489,688
(Increase)/Decrease in stocks	(3,516)	(1,175)
(Increase)/Decrease in trade and other receivables	(398,952)	189,027
Increase/(Decrease) in creditors	40,635	164,271
Pension costs less contributions payable	(132,534)	(840,169)
Adjustment for investing or financing activities		
Investment income	(902,868)	(754,735)
Interest payable	(395,295)	(395,885)
Loan fees paid	-	-
Net cash inflow from operating activities	<u>651,955</u>	<u>1,843,584</u>

19 Cash flows from investing activities

	2023	2022
	£	£
Non-current investment disposal	36,157,329	10,635,419
Investment income	902,868	754,735
Endowment funds invested	(35,909,748)	(8,688,394)
(Increase)/Decrease in cash balances held at fund managers	160,296	5,151,102
Payments made to acquire non-current fixed assets	(18,543,580)	(3,098,638)
Total cash flows from investing activities	<u>(17,232,835)</u>	<u>4,754,224</u>

20 Cash flows from financing activities

	2023	2022
	£	£
Interest paid	395,295	395,885
New loan	-	-
New loan fees paid	-	-
Total cash flows from financing activities	<u>395,295</u>	<u>395,885</u>

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21 Consolidated reconciliation and analysis of net debt

	At 1 July 2022	Cash flows	At 30 June 2023
	£	£	£
Cash and cash equivalents	16,798,885	(16,185,585)	613,300
Borrowings - amounts due within one year	-	-	-
Borrowings - amounts due after more than one year			
Unsecured loans	13,000,000	-	13,000,000
Net total	<u>3,798,885</u>	<u>(16,185,585)</u>	<u>(12,386,700)</u>

See note 14 for further details of the £13m unsecured debt, raised by private placements, at fixed interest-rates and repayable 2043 - 2058.

22 Financial Instruments

	2023	2022
	£	£
Financial Assets		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments	31,983,202	31,961,450
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments	10,001	10,001
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	613,300	16,798,885
Cash in hand at investment managers	1,222,818	1,383,114
Other debtors	714,780	667,827
Financial Liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	13,000,000	13,000,000
Trade creditors	290,673	216,829
Other creditors	1,080,848	1,114,055

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

23 Lease obligations

	2023	2022
	£	£
At 30 June 2023 the College had annual commitments under non-cancellable operating leases as follows:		
Land and buildings:		
Expiring within one year	185,207	179,813
Expiring between two and five years	589,632	774,840
Expiring in over five years	-	-

24 Pensions

The College participates in two defined benefit schemes, the Universities' Superannuation Scheme (USS) and the Cambridge Colleges' Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trustee-administered funds. The total pension cost for the 12 months to 30 June 2023 was £277,303 (2022: £281,202).

24a Universities' Superannuation Scheme

The total cost charged to the profit and loss account is £79,735 (2022: £76,080).

Deficit recovery contributions due within one year for the institution are £42,472 (2022: £47,798).

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

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

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

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

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

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

2020 valuation	
Mortality base table	101% of SAPS S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

Note 24a (US\$) cont.

The current life expectancies on retirement at age 65 are:

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

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

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	n/a	n/a

24b Cambridge Colleges' Federated Pension Scheme

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

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

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

	2023	2022
	% p.a.	% p.a.
Discount rate	5.20	3.80
Increase in salaries	3.30	3.24
RPI assumption	3.40	3.45
CPI assumption	2.80	2.75
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.30
Pension Increases in payment (CPI Max 2.5% p.a.)	2.05	2.05

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2022: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

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

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Note 24b (CCFPS) cont.

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

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

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

Employee Benefit Obligations

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

	2023	2022
	£	£
Present value of plan liabilities	(4,809,499)	(5,357,246)
Market value of plan assets	3,985,192	4,518,616
Net defined benefit asset/(liability)	(824,307)	(838,630)

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows.

	2023	2022
	£	£
Current service cost	201,958	360,532
Administrative costs	19,152	19,152
Interest on net defined benefit (asset)/liability	32,673	34,726
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	253,783	414,410

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

	2023	2022
	£	£
Present value of plan liabilities at beginning of period	5,357,246	6,932,120
Current service cost	201,958	360,532
Employee contributions	21,872	26,791
Benefits paid	(261,993)	(137,633)
Interest on plan liabilities	202,866	126,702
Actuarial (gains)/losses	(712,450)	(1,951,266)
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	4,809,499	5,357,246

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Note 24b (CCFPS) cont.

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

	2023	2022
	£	£
Market value of plan assets at beginning of period	4,518,616	5,023,290
Contributions paid by the College	307,541	313,311
Employee contributions	21,872	26,791
Benefits paid	(261,993)	(137,633)
Administrative expenses paid	(25,013)	(22,427)
Interest on plan assets	170,193	91,976
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	(746,024)	(776,692)
Market value of plan assets at end of period	<u>3,985,192</u>	<u>4,518,616</u>
 Actual return on plan assets	 (575,831)	 (684,716)

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

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

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

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

	2023	2022
	£	£
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	(746,024)	(776,692)
Expected less actual plan expenses	(5,861)	(3,275)
Experience gains and losses arising on plan liabilities	(521,444)	(262,232)
Changes in assumptions underlying the present value of plan liabilities	1,233,894	2,213,498
Remeasurement of net defined benefit liability recognised in OCI	<u>(39,435)</u>	<u>1,171,299</u>

Note 24b (CCFPS) cont.

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

	2023	2022
	£	£
Net defined benefit asset/(liability) at beginning of year	(838,630)	(1,908,830)
Recognised in the Statement of Comprehensive Income and Expenditure	(253,783)	(414,410)
Contributions paid by the College	307,541	313,311
Remeasurement of net defined benefit liability recognised in OCI	(39,435)	1,171,299
Net defined benefit asset/(liability) at end of year	<u>(824,307)</u>	<u>(838,630)</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 actuarial valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £64,837 per annum payable for the period from 1 July 2021 to 31 March 2030.

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

25 Related Party Transactions

Owing to the nature of the College's operations and the composition of its Trustees, it is possible that transactions will take place with organisations in which a Trustee may have an interest. All transactions involving organisations in which a Trustee 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 Trustees and where any Trustee 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 a Remuneration Sub-Committee of the College's Finance Committee, whose membership comprises independent external members, Fellows who are not Trustees, and the Bursar.

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

From:	To:	Number of Fellows	
		2023	2022
£0	£10,000	6	6
£10,001	£20,000	-	-
£20,001	£30,000	-	-
£30,001	£40,000	-	-
£40,001	£50,000	1	1
£50,001	£60,000	1	1
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	1	1
	Total	<u>9</u>	<u>9</u>

The total Trustee salaries were £212,381 for the year (2022: £196,160)

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £63,742 for the year (2022: £59,038)

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27 Supplemental Schedule as required by US Department for Education

Accounts



**DARWIN COLLEGE
CAMBRIDGE**

**ANNUAL REPORT AND ACCOUNTS
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DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
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PRELIMINARY INFORMATION

Body Corporate:

The Master and Fellows of Darwin College in the University of Cambridge

Address:

Silver Street, Cambridge CB3 9EU

Charity Registration Number:

1141105

Charity Trustees:

The College's Trustees for Financial Year 2021-22 were:

Dr M R W Rands	Master
Professor F E Karet	Vice-Master
Dr S Baker	Vice-Master
Dr D J Needham	Dean
Mr J T Dix	Bursar
Professor A F Blackwell	
Professor R P Cowburn	
Professor J B Rowe	
Dr A S C Cloots	(to 30 September 2021)
Professor C van Ruymbeke	(from 1 October 2021)

Principal Advisers:

Auditors:

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

Bankers:

Barclays Bank plc (Corporate Banking)
Mortlock House
Histon
Cambridge CB4 9DE

Property Managers:

Cheffins, Chartered Surveyors
Clifton House
1 & 2 Clifton Road
Cambridge CB1 7EA

Investment Fund Managers:

Cazenove Capital Management Ltd
12 Moorgate
London EC2R 6DA

REPORT OF THE TRUSTEES

INTRODUCTION

The College

Darwin College was founded in 1964 as the first graduate college in the University of Cambridge. The College was created an Approved Foundation on 29 January 1965, and was incorporated by Royal Charter dated 9 June 1976 as a Body Politic and Corporate under the name and style of "The Master and Fellows of Darwin College in the University of Cambridge". The College is an educational charity. It enjoyed exemption from registration from its foundation until 2010 when changes in charity law required it to become registered with the Charity Commission, which it has been since 4 April 2011. The main College site is at Silver Street, Cambridge, CB3 9EU.

Aims and Objectives of the College

The College's principal object under its Charter is to advance education, learning and research in the University of Cambridge. It pursues this objective by:

- Promoting and fostering excellence in academic education and learning through providing a community of scholarship for its graduate students.
- Creating and nurturing a vibrant and supportive research community for its Fellows, graduate students, other members, and visitors.
- Maintaining and enhancing the endowment, benefactions, buildings, grounds, and facilities of the College for the continuing benefit of current and future generations of members.

The maintenance of the College's financial viability for the present and long term, and of its independence and autonomy within the collegiate university, are consistent with and necessary conditions for the fulfilment of its charitable purposes.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an educational and support base for over 700 post-graduate students, and very occasionally undergraduate-status students in specific disciplines. The education under the Cambridge collegiate system is recognised internationally as being of the very highest standard. The teaching and research challenges and develops students academically, fosters leadership qualities and interpersonal skills, and prepares them to play full and effective roles in society, whether in the UK or in the 76 other countries from which the membership is currently drawn. Although only half a century old, the College already numbers Nobel prize winners amongst its Fellows and alumni.

In particular, the College provides:

- Physical and technical facilities supporting its students in their individual study regimes, as well as supporting teaching activities in the wider University, and for seminars and a public lecture series of international renown;

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- Pastoral, administrative, and academic support for its students through the Deanery with tutoring and mentoring provided by Fellows; and
- Social, cultural, sporting, musical and recreational facilities, enabling students to balance fully their academic and personal lives, and develop their potential, whilst studying in Cambridge.

The College advances research by:

- Providing currently 25 research fellowships and around 50 post-doctoral positions to outstanding researchers in the early stages of their careers; these appointments enable them to develop and focus intensively on their post-doctoral research work, in that crucially formative period prior to their taking on teaching duties in an academic post;
- Supporting the work of all its Fellows by creating and promoting international and interdisciplinary contact both informally and in seminars and lectures;
- Fostering academic networking, and access to and involvement in cutting-edge research, particularly by providing facilities for outstanding academics from other universities in the UK and overseas to make extended stays as Visiting Fellows and Visiting Researchers; and
- Offering access to invaluable resources for all members of the College, particularly in the provision and maintenance of a Study Centre and Library, and extensive IT facilities.

Members of, and academic visitors to, the College, both students and Fellows, are the prime beneficiaries. They are directly engaged in education, learning and research and the College's students are the recipients of such direct financial support as the College is able to provide to those of limited financial means. More widely, other beneficiaries include students and academic staff from other Cambridge Colleges and the University of Cambridge. Academics from other higher-education institutions and returning alumni members of the College are given opportunities to undertake interdisciplinary research and establish contacts, attend educational events at the College, and make use of its academic facilities; in parallel, the wider public is encouraged to attend certain educational activities provided by the College such as lectures, seminars and concerts. These activities serve to reinforce and underpin life-long learning. A particular example is the Annual Darwin Lecture Series, now in its 37th year, which runs for eight weeks each Lent Term, and attracts audiences of many hundreds drawn from the general public as well as the student and academic community. Since 2007 most of the lectures have been made available online for a global audience, and cumulative downloads to date exceed one million. This year as the COVID-19 pandemic abated the lectures successfully reverted to being given in person and were simultaneously live-streamed for the first time.

In fulfilling its charitable purposes of advancing education, learning and research, the College draws on its senior officers such as Master, Vice-Masters, Dean, and Bursar who receive stipends. These serve with other Fellows as charity trustees through being members of the College Council. Other stipendiary senior officers include the Development Director. Any employment and remuneration of the Master and Fellows is undertaken with the intention of furthering the College's aims and such employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through stipends and related benefits is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector. Without the services of its Master and Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

ACHIEVEMENTS AND PERFORMANCE

Academic Results and Student Body Profile

College members graduating in the 2021-22 academic year achieved 85 PhDs and 240 Masters-level degrees (2021: 70 and 79 respectively). The high numbers graduating reflect the backlog caused by the COVID-19 pandemic. A further 26 former students who had graduated in absentia during the pandemic returned to Cambridge to attend celebrations of the award of their degrees.

In the 2021-22 academic year there were 825 student members of the College (for all or part of the year) (2021: 833). Of these 619 were fee-paying post-graduate students (including 76 who paid fees directly to the Judge Business School) and 206 were post-graduate students writing up or under examination (from whom the College receives no fees). The College's fee income in the year, under current arrangements within the collegiate University, is based on its number of fee-paying post-graduate students adjusted to a full-time equivalent, which for the year was 549.67 (2021: 551.47). 34% of fee-paying students were fully funded and 3% partially funded as to their combined graduate fees from sources of which the University or College is aware; the balance were self-funded or funded from sources of which the College is not formally aware.

Financial Overview

The College's income comprises academic fees, charges for student accommodation and catering services, investment income, and individual and corporate donations and bequests. Its expenditure comprises the costs of education, of providing and maintaining student residences and catering, of investment and property management, and of development fundraising and alumni relations; and expenditure includes all staff costs and depreciation. In the 2021-22 year the College made an unrestricted surplus after donations and new endowments but before other gains and losses of £1,468,396 (2021: deficit of £48,534). Excluding donations and new endowments the College recorded an unrestricted deficit of £186,156 (2021 unrestricted deficit: £371,215). In 2021-22 the College made a restricted surplus after donations but before other gains and losses of £6,130 (2021: £1,399,237). No new endowments were recorded in the year (2021: £182,000). The College's fund grant of £164,000 was received in the year and was held in unrestricted funds at the year end.

The net assets of the College at 30 June 2022 were £81,008,862 (2021: £79,852,725).

The College's restricted and endowment reserves at 30 June 2022 were £29,868,296 having reduced by £990,028 in the year from £30,858,324. The restricted reserves comprise £9,922,825 of restricted or trust funds for defined educational purposes and £19,946,537 of endowment funds or general corporate capital funds, the income from which is essential to fund the deficit which would otherwise arise on the College's academic activities and student services. The College's unrestricted reserves have increased by £2,146,165 from £48,994,401 to £51,140,566. This total includes the College's cash reserves and some investment assets, but the great majority of such funds are fixed assets in the form of the College's operational land and buildings. The College's total reserves are reduced by a provision for pension liabilities of £1,215,064 (2021: £2,055,234).

The College has issued £13million of unsecured fixed interest rate debt raised by way of private placings. The weighted average rate of interest is 3.06% and repayment of the capital is due in the period 2043-2058. This funding was raised for the purpose of further investment in revenue generating operational assets for the College and has now been applied to the purchase of the Causewayside flats referred to below.

Benefactions and Donations

The College is most grateful for donations and bequests (including of royalties), from alumni and from other supporters and organisations. This generosity enables the College to extend and enhance its support for students and Fellows, for the Darwin Lecture Series, and for its physical estate. Current priorities include fundraising for studentships and student hardship, research fellowships, as well as improving elements of the core site (for example the new lift in the Hermitage), and increasing the stock of student accommodation close to the College site.

Over the course of the year £1,739,114 (2021: £1,551,091) was raised, including documented pledges of £56,357. A total of 332 (2021: 386) individual and organisational donors contributed in the year at a variety of levels. The College is immensely grateful to them for their support. In particular, the College acknowledges with immense gratitude the bequest from César and Celia Milstein of their family house on Hills Road in Cambridge.

The College spent £247,984 (2021: £235,174) on fundraising and alumni relations in the year. These costs are incurred as the College supports a fast-growing – and global – community of alumni. During the year, the College's events programme has had a mixture of in-person and online events. The College invests in communicating with alumni and other supporters through the College magazine, *The Darwinian*, as well as making use of electronic and social media.

Endowment and Investment Performance

The College's financial investments are comprised of its invested endowment. The College, as a permanently endowed charity, adopts a long-term time horizon when making investments of its endowment. The College is advised on investment matters, via the Finance (and Investments) Committee, by its fund managers and independent external members co-opted to the Committee.

The return in the year on the College's corporate capital (unrestricted endowment) fund and on its (restricted endowment) trust pool fund was -2.6% net of fees. No withdrawal of invested capital from these funds was required or made in the year. Dividends and income received on quoted securities decreased year-on-year to £651,299 (2021: £671,882). All investment income received is applied in the pursuit of the charitable objects of the College.

The College encourages socially responsible investment, and monitors its investments against environmental, social and governance standards. Under its investment policy it will not invest in entities where: the investment may conflict, or be inconsistent, with primary aims, objectives and activities of the College; the investment might alienate the College's supporters or potential supporters; the investment may be reputationally damaging; the investment is considered by the Trustees to be unethical; or the investment might otherwise hamper the work of the College. In pursuance of this policy the College recognises that climate change is a real and present danger, and encourages debate on the appropriate response by the College to the risks climate change represents. The College seeks to support sustainability, carbon reduction, the development of renewable energy sources, and action to mitigate the effects of adverse climate change. Consequently, it has divested from fossil fuel companies in which it held shares, has invested in positive investment opportunities,

and maintains its direct and indirect holdings under review to ensure these remain consistent with its investment policy.

Reserves policy

The College intends to continue to pursue its objectives in perpetuity. It therefore aims to protect and maintain the real value of its permanent corporate and trust capital, and to continue to increase its unrestricted funds and reserves for the long term, whilst seeking an equitable funding balance between the interests and aspirations of present members and those yet to come, and also retaining an ability to cope with sudden unforeseen financial upheavals and to take advantage of unexpected opportunities. Any new donations or bequests to the College are added to the unrestricted funds unless the donor has made it clear that the funds are to be used for a specific purpose.

The College's free reserves stood at the year end at £8,033,077 (2021: £6,741,122), being its total unrestricted reserves of £51,140,566 less that part of those reserves committed to functional assets (represented by the total of its tangible fixed assets) of £43,107,489. The College seeks to ensure that its free reserves stand in excess of one year's expenditure at current levels. Free reserves at the year-end represented 127% (2021: 116%) of expenditure incurred during the year.

Capital Expenditure

The main items of capital expenditure in the year related to the purchase of 47 Newnham Road and the comprehensive refurbishment of 53 Newnham Road as a new College gym.

The purchase of 47 Newnham Road, when taken with the purchase in recent years of numbers 51 and 53, has enabled the College to complete its exclusive ownership of the entire site with a frontage from 45 to 53 Newnham Road and including Gwen Raverat House to the rear. 47 Newnham Road comprises tenanted shop premises and two flats above.

The refurbishment of 53 Newnham Road will enable the College to offer its members and staff a fully equipped, spacious and centrally located gym for the first time. These works and other maintenance-related projects have been capitalised in line with the fixed asset accounting policy, to the extent that they increase the expected future benefits to the College.

Building Renewals and Maintenance

The College's buildings on its main site are mainly eighteenth and nineteenth century with modern additions, and adapted houses and purpose-built student hostels off-domus. The buildings are maintained according to a comprehensive long-term rolling maintenance programme which seeks to ensure timely refurbishment, to a standard to minimise unplanned and costly remedial works, carried out within tight budget controls.

The College has developed a decarbonisation strategy focussing on degasification, as gas consumption for heating and hot water represents over 90% of the College's direct carbon emissions. Initial energy demand reduction measures with regard to glazing and lighting were undertaken in the year. Plans have been prepared for the replacement of gas by air source heat pumps in Frank Young House. An intercollegiate study to monitor the River Cam's temperature and flow initiated by the College is underway, as the viability is tested of river source heat as the main replacement for gas for both the College's main site and for the Newnham Road / Causewayside cluster.

Pensions

The College has members of staff in the Universities' Superannuation Scheme (USS), a defined contribution workplace pension scheme, and the Cambridge Colleges' Federated Pension Scheme (CCFPS) (closed to new members).

The College had 17 active USS members at 30 June 2022, although many Fellows will be USS members though their employment by the University. The USS valuation as at 31 March 2020 valued the assets of the scheme at £66.5 billion and valued its technical provisions at £80.6 billion, indicating a shortfall of £14.1 billion (and a funding ratio of 83%). The College is, taken apart from the University, a very small employer within the scheme. It has considered how to deal with the issues of conflict of interest for Fellows and Trustees should the College wish to take an active part in USS consultations regarding the scheme.

The most recent actuarial review of the CCFPS was as at 30 June 2022. The College's overall benefit funding liability has decreased to £838,630 (2021: £1,908,830).

COVID-19

The Novel Coronavirus (COVID-19) pandemic abated towards the end of the year, as the virus remained in circulation but with reduced virulence and impact on society. Most of the arrangements put in place in March 2020, under which teaching, welfare support and examinations were delivered online were adjusted to revert to normal or gradually withdrawn as circumstances allowed. The safety and welfare of College members and staff remained the highest priority. The financial impact of the pandemic on the College continued to be felt with reduced catering income both from routine student catering and from the many events and activities which take place in a normal year.

Principal Risks and Uncertainties

The main risks and uncertainties facing the College are those connected with the following matters:

- Economic factors, including the rising cost of living, which might adversely affect the affordability for students and funders of graduate study and College's ability to provide its services to members and to maintain its sources of income, particularly endowment income, donations, fees and rents;
- The medium- and longer-term impact of the United Kingdom leaving the European Union, particularly where Brexit has affected research funding arrangements and student enrolments;
- Any re-emergence of the threat to public health represented by the COVID-19 global pandemic;
- The impact of climate change generally including the College's need to undertake major and expensive decarbonisation work;
- External political and economic threats to the continuing attractiveness of the University to the diverse global academic elite, whether as applicant students, post-doctoral researchers, or academics;
- Increasing societal concerns regarding student mental health and well-being where the College must ensure that its pastoral functions adapt and remain effective;
- The need to minimise reputational risk through high standards and appropriate policies in areas in which the College might be the focus of activism or media attention;

- The escalating costs of providing and maintaining buildings and accommodation which are of suitable quality and in the best locations to meet the needs of students.

The College reviews risks generally at an institutional level and at an operational level. Major risks to which the College is or may be exposed from time to time are reviewed regularly by all College committees within their terms of reference, and reported to College Council and Governing Body. A risk register is maintained to monitor, mitigate or remove major risks as they are identified. Operational risks are reviewed at a departmental level and appropriate procedures put in place to monitor and control such risks. During the year, in relation to the specific risks the College associated with COVID-19, the College's working group (comprising Bursar, Dean, Second Bursar, and Head Porter) continued to meet regularly and reported to College Council. The group acted as a conduit for advice and support emanating centrally in the collegiate University and consider the measures required in College and the communications required to keep College members and staff duly informed. Its work was wound down as the pandemic abated at the end of the year.

Post Balance Sheet Event

On 13 July 2022 the College completed the purchase, on a 200-year lease from the University of Cambridge, of the property known as Causewayside, Cambridge. Causewayside comprises 44 flats, built in the mid twentieth century, on a large riverside site adjacent to the College's existing properties at Gwen Raverat House and on Newnham Road. The flats were tenanted on purchase and as flats become vacant priority will be given to College members seeking accommodation. The total consideration was £17,325,000, to which the major part of the cash on the balance sheet at the year-end was applied. The purchase completes the deployment in revenue generating accommodation assets of the proceeds of the long-term fixed interest debt raised by the College in private placings.

Plans for the future

Implementing the Strategic Plan for Darwin College 2022-2032, as approved by College Council and endorsed by the Governing Body, is a priority for 2022-23. The Plan sets out five strategic priority areas: strengthening the College's contribution to academic excellence and research impact; fostering a diverse and inclusive College community; enhancing the College estate, facilities and services; expanding and diversifying College revenue; and acting on and promoting solutions to global challenges, including sustainability. Key to delivering these will be developing and launching a College fundraising campaign.

GOVERNANCE

Corporate Governance

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the management of the College's resources and audit oversight.

The College is a registered charity (Registered Number 1141105) and subject to regulation by the Charity Commission for England and Wales. The College Council provides the trustees of the charity and they are responsible for ensuring compliance with charity law. The Trustees are advised in meeting those duties by a number of Committees, and internal and external professionally qualified advisers. Members of the College Council forming the Trustee Body during the year to 30 June 2022 are indicated at Page 2.

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The Principal Officers of the College under Statute are the Master, Vice-Master, Dean, and Bursar, and the holders of these offices during the year are identified on Page 2. Two joint Vice-Masters continue to share the duties of the office, and of whom Professor F E Karet serves as Vice-Master for statutory purposes.

The Governing Body, comprising the Master and Fellows under Titles A, C, D, and E, holds at least six meetings a year, with the November/December meeting being the Annual Meeting.

The College Council comprises the Master, Vice-Masters, Dean, and Bursar ex-officio, four Fellows elected by the Governing Body, and three students. The current Student Association President is a member ex-officio, and two further student members are elected directly by the student body each year. The College Council meets on a regular basis throughout the year and is responsible for the everyday administration of the College in all matters not allocated by Statute to the Governing Body or the Finance Committee. The College Council makes regular reports to each meeting of the Governing Body.

The Finance (and Investments) Committee, composed of the Master, Vice-Master, and Bursar ex-officio, and three Fellows elected by the Governing Body to serve from the beginning of a given academic year, manages the College investments and, with a directly elected student representative, controls and administers the revenues and expenditures in accordance with College Statutes, Ordinances, and the Charities Act. When acting as the Investment Committee, the membership is reinforced by up to three external members, and the College's investment managers are in attendance.

It is the specified duty of the Finance Committee to keep under constant review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external auditors; to give initial consideration to reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make periodic formal Reports to the Trustees and Governing Body.

Registers of Interests in a form prescribed by the College's Conflicts of Interest Policy are maintained for the Trustees, and Related Party forms are obtained from the Trustees and senior staff as part of the annual audit. The declaration of interests is a formal agenda item at the beginning of every College meeting.

Statement on Internal Control

The Trustees are responsible for ensuring a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding public and other funds and assets for which the charity holds responsibility, in accordance with College Statutes and Ordinances, and the Charities Act 2006.

The systems of internal control are designed to identify the principal risks bearing on the achievement of aims, objectives and policies, to evaluate the nature and extent of those risks, and to ameliorate and control them efficiently, effectively and economically. The systems of internal control are structured realistically to identify and control most of the risks of failure to achieve aims, objectives and policies, rather than attempt to eliminate risk entirely; it therefore provides reasonable, but not absolute, assurance of effectiveness. These processes were in place for the year ended 30 June 2022 and throughout the period to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the systems of internal control. The Trustees' continual review of the effectiveness of the systems is informed by the work of the various Committees, the Bursar, and the College Officers who hold responsibility for the development and application of an internal control framework and for the investigation and resolution of any comments raised by the external auditors in their post audit and other reports.

General Responsibilities of the Trustees

The Trustees are responsible for the preparation of the Annual Report and financial statements in accordance with applicable law and having regard to United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The College Statutes and Ordinances, and those of the University of Cambridge, require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that 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 inappropriate to presume that the College would continue in operation.

The Trustees are responsible for keeping accounting records which, at any time, disclose with reasonable accuracy 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.

Approved by the Trustees on 16 November 2022



J T Dix
Bursar

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DARWIN COLLEGE

Opinion

We have audited the financial statements of Darwin College (the 'College') for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual 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 trustees

As explained more fully in the responsibilities of the trustees' statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with relevant regulators and the College's legal advisors.

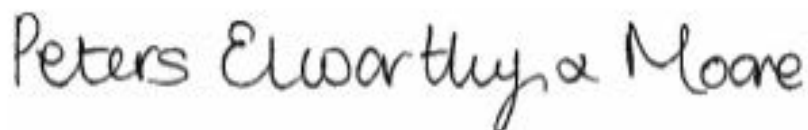
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance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

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

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

Use of our report

This report is made solely to the College's trustees as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 28 November 2022

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

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

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

Basis of accounting

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

Going Concern

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2022 year-end up to December 2023. The College has also set a detailed budget plan for the financial year 2022-23. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans demonstrate that the College has sufficient resources to meet liabilities as they fall due. The Trustees consider preparation of these financial statements using a going concern basis to be appropriate.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

Restricted 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 are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Other income

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

Cambridge Bursary Scheme

In 2021-22, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £4,550 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£4,550
Expenditure	£9,100

Tangible fixed assets

Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to 1 July 2014, the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of between 50 and 100 years.

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

Furniture, Fittings and Equipment

Furniture, fittings and equipment in excess of £5,000 are capitalised and depreciated over their estimated useful lives.

Leased assets

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

Investments

Fixed asset investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits 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.

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

Taxation

The College is a registered charity (number 1141105) 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.

Pension costs

Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution 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 institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Employment benefits

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

Reserves

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

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

Critical accounting judgements

The preparation of the College's accounts requires the Trustees 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.

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

Income recognition

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

Useful lives of property, plant and equipment

Property plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Retirement benefit obligations

The cost of defined benefit pension plans is 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 24.

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. The Trustees 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 financial statements.

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	2022				2021			
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
		£	£	£	£	£	£	£	£
Income									
Academic fees & charges	1	2,520,074	-	-	2,520,074	2,255,887	-	-	2,255,887
Residences & catering	2	3,105,753	-	-	3,105,753	2,182,247	-	-	2,182,247
Investment Income	3	509,259	245,476	-	754,735	618,246	159,465	-	777,711
Other income (Coronavirus Job Retention Scheme)		-	-	-	-	114,994	-	-	114,994
Total income before donations & endowments		6,135,086	245,476	-	6,380,562	5,171,374	159,465	-	5,330,839
Donations		1,490,552	51,601	-	1,542,153	322,681	1,506,892	-	1,829,573
New endowments		-	-	-	-	-	-	-	-
Capital grant from Colleges Fund		164,000	-	-	164,000	-	-	182,000	182,000
Other capital grants for assets		-	1,066	-	1,066	-	1,149	-	1,149
Total income		7,789,638	298,143	-	8,087,781	5,494,055	1,667,506	182,000	7,343,561
Expenditure									
Education	4	2,462,417	292,013	-	2,754,430	2,113,365	268,269	-	2,381,634
Residences & catering	5	3,240,270	-	-	3,240,270	2,833,091	-	-	2,833,091
Other expenditure		618,555	-	-	618,555	596,133	-	-	596,133
Total Expenditure		6,321,242	292,013	-	6,613,255	5,542,589	268,269	-	5,810,858
Surplus/(Deficit) before other gains and losses		1,468,396	6,130	-	1,474,526	(48,534)	1,399,237	182,000	1,532,703
Gains/(Losses) on disposal of fixed assets		-	-	-	-	-	-	-	-
Gains/(Losses) on investments		(494,596)	(185,991)	(809,101)	(1,489,688)	1,007,194	535,501	2,441,258	3,983,953
Surplus/(Deficit) for the year		973,800	(179,861)	(809,101)	(15,162)	958,660	1,934,738	2,623,258	5,516,656
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes		1,171,299	-	-	1,171,299	671,721	-	-	671,721
Total comprehensive income for the year		2,145,099	(179,861)	(809,101)	1,156,137	1,630,381	1,934,738	2,623,258	6,188,377

STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2021	48,994,401	5,201,055	25,657,269	79,852,725
Surplus/(Deficit) from income and expenditure statement	973,800	(179,861)	(809,101)	(15,162)
Other comprehensive income	1,171,299	-	-	1,171,299
Release of restricted capital funds spent in year	1,066	(1,066)	-	-
Balance at 30 June 2022	51,140,566	5,020,128	24,848,168	81,008,862

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2020	47,343,393	3,286,944	23,034,011	73,664,348
Surplus/(Deficit) from income and expenditure statement	958,660	1,934,738	2,623,258	5,516,656
Other comprehensive income	671,721	-	-	671,721
Release of restricted capital funds spent in year	20,627	(20,627)	-	-
Balance at 30 June 2021	48,994,401	5,201,055	25,657,269	79,852,725

DARWIN COLLEGE
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FOR THE YEAR ENDED 30 JUNE 2022

BALANCE SHEET AS AT 30 JUNE 2022

	Note	2022 £	2021 £
Fixed Assets			
Tangible Assets	8	43,107,489	42,253,279
Investment Assets	9	35,934,564	43,114,379
		<u>79,042,053</u>	<u>85,367,658</u>
Current Assets			
Stock	10	46,045	44,870
Debtors	11	667,827	856,854
Cash	12	16,798,885	9,805,192
		<u>17,512,757</u>	<u>10,706,916</u>
Creditors	13	<u>1,330,884</u>	<u>1,166,615</u>
Net Current Assets/(Liabilities)		<u>16,181,873</u>	<u>9,540,301</u>
Creditors: more than one year	14	(13,000,000)	(13,000,000)
Provisions			
Pension provision	15	(1,215,064)	(2,055,234)
Net Assets		<u>81,008,862</u>	<u>79,852,725</u>
Restricted Reserves			
Income and expenditure reserve - endowment reserve	16	24,848,168	25,657,269
Income and expenditure reserve - restricted reserve	17	5,020,128	5,201,055
		<u>29,868,296</u>	<u>30,858,324</u>
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		51,140,566	48,994,401
		<u>51,140,566</u>	<u>48,994,401</u>
Total Reserves		<u>81,008,862</u>	<u>79,852,725</u>

These accounts were approved by the Trustees on 16 November 2022 and are signed on their behalf by:



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Dr M Rands, Master

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

CASH FLOW STATEMENT

	Note	2022 £	2021 £
Net cash inflow from operating activities	18	1,843,584	1,070,084
Cash flows from investing activities	19	4,754,224	786,102
Cash flows from financing activities	20	395,885	395,222
Increase/(Decrease) in cash and cash equivalents in the year		<u>6,993,693</u>	<u>2,251,408</u>
Cash and cash equivalents at beginning of the year		9,805,192	7,553,784
Cash and cash equivalents at end of the year	12	<u>16,798,885</u>	<u>9,805,192</u>

DARWIN COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTES TO THE ACCOUNTS

1 Academic fees and charges	2022	2021
	£	£
Colleges fees:		
Fee income received at the Regulated undergraduate rate	10,998	24,920
Fee income received at the Unregulated rate	23,700	30,000
Fee income received at the Graduate fee rate	2,462,328	2,199,409
Other income	23,048	1,558
Total	2,520,074	2,255,887
2 Income from Accommodation and Catering	2022	2021
	£	£
Accommodation College members	2,669,588	2,019,749
Catering College members	436,165	162,498
Total	3,105,753	2,182,247
3 Endowment return and investment income	2022	2021
	£	£
Income from:		
Land and buildings	84,713	79,489
Quoted securities	651,299	671,882
Other interest receivable	18,723	26,340
Total	754,735	777,711
4 Education expenditure	2022	2021
	£	£
Teaching	131,084	125,736
Tutorial	498,729	402,682
Admissions	659,183	559,018
Research	374,969	350,869
Scholarships and awards	360,743	278,796
Other educational facilities	729,722	664,533
Total (Note 6)	2,754,430	2,381,634

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5 Accommodation and Catering Expenditure	2022	2021
	£	£
Accommodation College members	2,183,932	2,030,992
Catering College members	1,056,338	802,099
Total (Note 6)	<u>3,240,270</u>	<u>2,833,091</u>

6a Analysis of 2021/2022 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,430,742	1,072,760	250,928	2,754,430
Accommodation and catering	1,302,315	1,352,455	585,500	3,240,270
Other	94,695	523,860	-	618,555
Total	<u>2,827,752</u>	<u>2,949,075</u>	<u>836,428</u>	<u>6,613,255</u>

Expenditure includes fundraising costs of £247,984. This expenditure includes the costs of alumni relations.

6b Analysis of 2020/2021 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,230,613	908,919	242,102	2,381,634
Accommodation and catering	1,139,291	1,128,895	564,905	2,833,091
Other	76,630	519,503	-	596,133
Total	<u>2,446,534</u>	<u>2,557,317</u>	<u>807,007</u>	<u>5,810,858</u>

Expenditure includes fundraising costs of £235,174. This expenditure includes the costs of alumni relations.

6c Auditors' remuneration

	2022	2021
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	21,978	20,538
Other fees payable to the College's external auditors	2,220	2,100

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7a Staff costs

	Academic	Non- Academic	2022 Total	2021 Total
	£	£	£	£
Staff costs:				
Salaries	419,594	1,543,826	1,963,420	1,795,454
National Insurance	33,025	116,739	149,764	136,467
Pension costs	283,925	430,643	714,568	514,613
	<u>736,544</u>	<u>2,091,208</u>	<u>2,827,752</u>	<u>2,446,534</u>
	2022	2022	2021	2021
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	26		29	
Non-academic		52		51
Total	<u>26</u>	<u>52</u>	<u>29</u>	<u>51</u>

At the Balance Sheet date the Governing Body comprised of 70 Fellows, of which 9 served as Trustees on College Council. During the year the average number of Fellows receiving remuneration was 26 as shown above. The Trustees received no remuneration in their capacity as Trustees of the Charity.

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

	2022 Total	2021 Total
£100,001 - £110,000	0	1
£110,001 - £120,000	1	0

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

7b Key Management Personnel

	2022 £	2022 £
Aggregated remuneration of key management personnel	245,237	235,356

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

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8 Fixed assets

Tangible fixed assets

	Land	College Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Motor Vehicles	2022 Total	2021 Total
	£	£	£	£	£	£	£
Cost or valuation							
At beginning of year	21,108,421	22,815,712	2,777,546	36,788	10,524	46,748,991	46,384,691
Transfer from assets under construction	-	420,984	(420,984)	-	-	-	-
Additions at cost	1,283,333	1,328,427	486,878	-	-	3,098,638	364,300
Disposal at cost	-	-	(1,408,000)	-	-	(1,408,000)	-
At end of year	<u>22,391,754</u>	<u>24,565,123</u>	<u>1,435,440</u>	<u>36,788</u>	<u>10,524</u>	<u>48,439,629</u>	<u>46,748,991</u>
Depreciation							
At beginning of year	-	4,454,528	-	32,787	8,397	4,495,712	3,688,705
Charge for the year	-	830,538	-	4,001	1,889	836,428	807,007
Written back on disposal	-	-	-	-	-	-	-
At end of year	<u>-</u>	<u>5,285,066</u>	<u>-</u>	<u>36,788</u>	<u>10,286</u>	<u>5,332,140</u>	<u>4,495,712</u>
Net book value							
At end of year	<u>22,391,754</u>	<u>19,280,057</u>	<u>1,435,440</u>	<u>-</u>	<u>238</u>	<u>43,107,489</u>	<u>42,253,279</u>
At beginning of year	<u>21,108,421</u>	<u>18,361,184</u>	<u>2,777,546</u>	<u>4,001</u>	<u>2,127</u>	<u>42,253,279</u>	<u>42,695,986</u>

The insured value of freehold buildings as at 30 June 2022 was £42,997,019 (2021: £39,821,237).

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9 Investments

	2022	2021
	£	£
Balance at beginning of year	43,114,379	39,503,118
Additions	8,688,394	9,452,124
Disposals	(9,641,845)	(9,519,001)
Gain/(Loss)	(1,075,262)	3,301,924
Increase/(Decrease) in cash balances held at fund managers	(5,151,102)	376,214
Balance at end of year	<u>35,934,564</u>	<u>43,114,379</u>
Represented by:		
Property	2,580,000	2,530,000
Quoted securities - equities	24,737,883	27,459,587
Fixed interest securities	2,558,187	2,698,154
Cash in hand at investment managers	1,383,114	6,533,967
Other	4,675,380	3,892,671
	<u>35,934,564</u>	<u>43,114,379</u>

10 Stocks

	2022	2021
	£	£
Goods for resale	<u>46,045</u>	<u>44,870</u>

11 Trade and other receivables

	2022	2021
	£	£
Members of the College	417,434	302,867
University fees	-	-
Other receivables	11,509	2,079
Prepayments and accrued income	238,884	551,908
	<u>667,827</u>	<u>856,854</u>

12 Cash and cash equivalents

	2022	2021
	£	£
Short-term money market investments	-	4,017,223
Bank deposits	16,398,263	5,789,615
Current accounts	397,660	(4,161)
Cash in hand	2,962	2,515
	<u>16,798,885</u>	<u>9,805,192</u>

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13 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	216,829	292,238
Members of the College	182,052	266,203
University fees	366,441	235,522
Other creditors	76,404	43,961
Accruals and deferred income	489,158	328,691
	<u>1,330,884</u>	<u>1,166,615</u>

14 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Private Placement	13,000,000	13,000,000

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £3 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with two other Colleges, the College's share being £10 million. The loans are unsecured and repayable during 2058, and are at fixed interest rates of approximately 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt.

15 Pension provisions

	CCFPS	USS	2022	2021
	£	£	Total	Total
			£	£
Balance at beginning of year	1,908,830	146,404	2,055,234	2,543,508
Movement in year:				
Current service cost including life assurance	414,410	306,110	720,520	530,296
Contributions	(313,311)	(76,080)	(389,391)	(346,849)
Other finance (income)/cost	-	-	-	-
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(1,171,299)	-	(1,171,299)	(671,721)
Balance at end of year	<u>838,630</u>	<u>376,434</u>	<u>1,215,064</u>	<u>2,055,234</u>

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16 Endowment funds

	Restricted permanent endowments	Unrestricted permanent endowments	2022	2021
	£	£	Total	Total
			£	£
Balance at beginning of year:				
Capital	5,114,116	20,543,153	25,657,269	23,034,011
New donations and endowments	-	-	-	182,000
Increase/(Decrease) in market value of investments	(211,419)	(597,682)	(809,101)	2,441,258
Transfer of funds	-	-	-	-
Balance at end of year	<u>4,902,697</u>	<u>19,945,471</u>	<u>24,848,168</u>	<u>25,657,269</u>
Analysis by type of purpose				
Fellowship Funds	2,836,052	-	2,836,052	2,958,351
Scholarship and Studentship Funds	1,128,142	-	1,128,142	1,176,791
Bursary Funds	653,087	-	653,087	681,250
Travel Grant Funds	258,662	-	258,662	269,816
Other Funds	26,754	-	26,754	27,908
General endowments	-	19,945,471	19,945,471	20,543,153
	<u>4,902,697</u>	<u>19,945,471</u>	<u>24,848,168</u>	<u>25,657,269</u>
Analysis by asset				
Property			2,480,000	2,530,000
Investments			22,368,168	23,127,269
Cash			-	-
			<u>24,848,168</u>	<u>25,657,269</u>

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17 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £	Permanent unspent & other restricted income £	Restricted expendable endowment £	2022 Total £	2021 Total £
Balance at beginning of year:	-	3,124,051	2,077,004	5,201,055	3,286,944
New grants	-	-	-	-	-
New donations	1,066	34,202	17,399	52,667	1,508,040
Endowment return transferred	-	-	-	-	-
Other investment income	-	200,497	44,979	245,476	159,465
Increase/(Decrease) in market value of investments	-	(109,157)	(76,834)	(185,991)	535,501
Expenditure	-	(250,340)	(41,673)	(292,013)	(268,268)
Capital grants utilised	(1,066)	-	-	(1,066)	(20,627)
Transfer to unrestricted	-	-	-	-	-
Balance at end of year	-	2,999,253	2,020,875	5,020,128	5,201,055
Analysis of other restricted funds/donations by type of purpose					
Fellowship Funds	-	1,268,420	40,718	1,309,137	1,348,717
Scholarship and Studentship Funds	-	1,141,341	1,980,157	3,121,498	3,248,851
Bursary Funds	-	535,118	-	535,118	558,751
Travel Grant Funds	-	34,344	-	34,344	30,589
Other Funds	-	20,030	-	20,030	14,147
General	-	-	-	-	-
	-	2,999,253	2,020,875	5,020,128	5,201,055
Analysis by asset					
Property				-	-
Investments				4,471,092	4,663,898
Cash				549,036	537,157
				5,020,128	5,201,055

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

	2022	2021
	£	£
Surplus/(Deficit) for the year	1,156,137	6,188,377
Adjustment for non-cash items		
Depreciation	836,428	807,007
Investment management costs	-	-
(Gain)/loss on endowments and investment property	1,489,688	(3,983,953)
(Increase)/Decrease in stocks	(1,175)	(2,340)
(Increase)/Decrease in trade and other receivables	189,027	(241,274)
Increase/(Decrease) in creditors	164,271	(36,526)
Pension costs less contributions payable	(840,169)	(488,274)
Adjustment for investing or financing activities		
Investment income	(754,735)	(777,711)
Interest payable	(395,885)	(395,222)
Loan fees paid	-	-
Net cash inflow from operating activities	<u>1,843,584</u>	<u>1,070,084</u>

19 Cash flows from investing activities

	2022	2021
	£	£
Non-current investment disposal	10,635,419	10,201,029
Investment income	754,735	777,711
Endowment funds invested	(8,688,394)	(9,452,124)
(Increase)/Decrease in cash balances held at fund managers	5,151,102	(376,214)
Payments made to acquire non-current fixed assets	(3,098,638)	(364,300)
Total cash flows from investing activities	<u>4,754,224</u>	<u>786,102</u>

20 Cash flows from financing activities

	2022	2021
	£	£
Interest paid	395,885	395,222
New loan	-	-
New loan fees paid	-	-
Total cash flows from financing activities	<u>395,885</u>	<u>395,222</u>

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21 Consolidated reconciliation and analysis of net debt

	At 1 July 2021	Cash flows	At 30 June 2022
	£	£	£
Cash and cash equivalents	9,805,192	6,993,693	16,798,885
Borrowings - amounts due within one year	-	-	-
Borrowings - amounts due after more than one year			
Unsecured loans	13,000,000	-	13,000,000
Net total	<u>(3,194,808)</u>	<u>6,993,693</u>	<u>3,798,885</u>

See note 14 for further details of the £13m unsecured debt, raised by private placements, at fixed interest-rates and repayable 2043 - 2058.

22 Financial Instruments

	2022	2021
	£	£
Financial Assets		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments	31,961,450	34,040,411
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments	10,001	10,001
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	16,798,885	9,805,192
Cash in hand at investment managers	1,383,114	6,533,967
Other debtors	667,827	856,854
Financial Liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	13,000,000	13,000,000
Trade creditors	216,829	292,238
Other creditors	1,114,055	874,377

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

23 Lease obligations

	2022	2021
	£	£
At 30 June 2022 the College had annual commitments under non-cancellable operating leases as follows:		
Land and buildings:		
Expiring within one year	179,813	174,531
Expiring between two and five years	774,840	752,271
Expiring in over five years	-	202,382

24 Pensions

The College participates in two defined benefit schemes, the Universities' Superannuation Scheme (USS) and the Cambridge Colleges' Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trustee-administered funds. The total pension cost for the 12 months to 30 June 2022 was £281,202 (2021: £267,234).

24a Universities' Superannuation Scheme

The total cost charged to the profit and loss account is £76,080 (2021: 74,215).

Deficit recovery contributions due within one year for the institution are £47,798 (2021: £39,543).

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

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

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

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

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

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

2020 valuation

Mortality base table	101% of SAPS S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2019 with a smoothing parameter of 7.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

Note 24a (US\$) cont.

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.6
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.6
Females currently aged 45 (years)	27.3	27.9

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

	2022	2021
Discount rate	3.31%	0.87%
Pensionable salary growth	n/a	n/a

24b Cambridge Colleges' Federated Pension Scheme

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

The liabilities of the plan have been calculated, at 30 June 2022, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2022	2021
	% p.a.	% p.a.
Discount rate	3.80	1.80
Increase in salaries	3.24	3.10
RPI assumption	3.45	3.40
CPI assumption	2.75	2.60
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.30
Pension Increases in payment (CPI Max 2.5% p.a.)	2.05	1.95

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2021: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

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

Note 24b (CCFPS) cont.

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

	Male	Female
Active Members – Option 1 Benefits	64	634
Deferred Members – Option 1 Benefits	63	62

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

Employee Benefit Obligations

The amounts recognised in the Balance Sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows:

	2022	2021
	£	£
Present value of plan liabilities	(5,357,246)	(6,932,120)
Market value of plan assets	4,518,616	5,023,290
Net defined benefit asset/(liability)	(838,630)	(1,908,830)

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows.

	2022	2021
	£	£
Current service cost	360,532	401,829
Administrative costs	19,152	13,773
Interest on net defined benefit (asset)/liability	34,726	35,111
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	414,410	450,713

Changes in the present value of the plan liabilities for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Present value of plan liabilities at beginning of period	6,932,120	6,782,990
Current service cost	360,532	401,829
Employee contributions	26,791	28,706
Benefits paid	(137,633)	16,218
Interest on plan liabilities	126,702	101,521
Actuarial (gains)/losses	(1,951,266)	(399,144)
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	5,357,246	6,932,120

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Note 24b (CCFPS) cont.

Changes in the fair value of the plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Market value of plan assets at beginning of period	5,023,290	4,380,518
Contributions paid by the College	313,311	272,634
Employee contributions	26,791	28,706
Benefits paid	(137,633)	16,218
Administrative expenses paid	(22,427)	(18,865)
Interest on plan assets	91,976	66,410
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	(776,692)	277,669
Market value of plan assets at end of period	<u>4,518,616</u>	<u>5,023,290</u>
Actual return on plan assets	(684,716)	344,079

The major categories of plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
Equities	52%	48%
Bonds & Cash	34%	42%
Property	14%	10%
Total	<u>100%</u>	<u>100%</u>

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	(776,692)	277,669
Expected less actual plan expenses	(3,275)	(5,092)
Experience gains and losses arising on plan liabilities	(262,232)	302,410
Changes in assumptions underlying the present value of plan liabilities	2,213,498	96,734
Remeasurement of net defined benefit liability recognised in OCI	<u>1,171,299</u>	<u>671,721</u>

Note 24b (CCFPS) cont.

Movement in net defined benefit asset/(liability) during the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Net defined benefit asset/(liability) at beginning of year	(1,908,830)	(2,402,472)
Recognised in the Statement of Comprehensive Income and Expenditure	(414,410)	(450,713)
Contributions paid by the College	313,311	272,634
Remeasurement of net defined benefit liability recognised in OCI	1,171,299	671,721
Net defined benefit asset/(liability) at end of year	<u>(838,630)</u>	<u>(1,908,830)</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 actuarial valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £64,837 per annum payable for the period from 1 July 2021 to 31 March 2030.

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

25 Related Party Transactions

Owing to the nature of the College's operations and the composition of its Trustees, it is possible that transactions will take place with organisations in which a Trustee may have an interest. All transactions involving organisations in which a Trustee 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 Trustees and where any Trustee 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 a Remuneration Sub-Committee of the College's Finance Committee, whose membership comprises independent external members, Fellows who are not Trustees, and the Bursar.

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

From:	To:	Number of Fellows	
		2022	2021
£0	£10,000	6	6
£10,001	£20,000	-	-
£20,001	£30,000	-	-
£30,001	£40,000	-	-
£40,001	£50,000	1	1
£50,001	£60,000	1	1
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	1	1
	Total	<u>9</u>	<u>9</u>

The total Trustee salaries were £196,160 for the year (2021: £187,134)

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £59,038 for the year (2021: £55,592)

26 Post Balance Sheet Event

On 13 July 2022 the College completed the purchase of a 200 year lease from the University of Cambridge of the property known as Causewayside, Cambridge, a development of 44 flats close to the main College site. The total consideration was £17,325,000, to which the major part of the cash on the balance sheet at the year-end was applied.

THE MASTER AND FELLOWS OF DARWIN COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1141105

Accounts



**DARWIN COLLEGE
CAMBRIDGE**

**ANNUAL REPORT AND ACCOUNTS
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DARWIN COLLEGE
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PRELIMINARY INFORMATION

Body Corporate:

The Master and Fellows of Darwin College in the University of Cambridge

Address:

Silver Street, Cambridge CB3 9EU

Charity Registration Number:

1141105

Charity Trustees:

The College's Trustees for Financial Year 2020-21 were:

Professor C M R Fowler	Master (to 30 September 2020)
Dr M R W Rands	Master (from 1 October 2020)
Professor F E Karet	Vice-Master
Professor J L Heeney	Vice-Master (to 30 April 2021)
Dr S Baker	Vice-Master (from 1 May 2021)
Dr D J Needham	Dean
Mr J T Dix	Bursar
Professor A C Ferguson-Smith	(to 30 September 2020)
Professor A F Blackwell	(from 1 October 2020)
Professor R P Cowburn	
Professor J B Rowe	
Dr A S C Clouts	

Principal Advisers:

Auditors:

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

Bankers:

Barclays Bank plc (Corporate Banking)
Mortlock House
Histon
Cambridge CB4 9DE

Property Managers:

Cheffins, Chartered Surveyors
Clifton House
1 & 2 Clifton Road
Cambridge CB1 7EA

Investment Fund Managers:

Cazenove Capital Management Ltd
12 Moorgate
London EC2R 6DA

REPORT OF THE TRUSTEES

INTRODUCTION

The College

Darwin College was founded in 1964 as the first graduate college in the University of Cambridge. The College was created an Approved Foundation on 29 January 1965, and was incorporated by Royal Charter dated 9 June 1976 as a Body Politic and Corporate under the name and style of "The Master and Fellows of Darwin College in the University of Cambridge". The College is an educational charity. It enjoyed exemption from registration from its foundation until 2010 when changes in charity law required it to become registered with the Charity Commission, which it has been since 4 April 2011. The main College site is at Silver Street, Cambridge, CB3 9EU.

Aims and Objectives of the College

The College's principal object under its Charter is to advance education, learning and research in the University of Cambridge. It pursues this objective by:

- Promoting and fostering excellence in academic education and learning through providing a community of scholarship for its graduate students.
- Creating and nurturing a vibrant and supportive research community for its Fellows, graduate students, other members, and visitors.
- Maintaining and enhancing the endowment, benefactions, buildings, grounds, and facilities of the College for the continuing benefit of current and future generations of members.

The maintenance of the College's financial viability for the present and long term, and of its independence and autonomy within the collegiate university, are consistent with and necessary conditions for the fulfilment of its charitable purposes.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an educational and support base for over 700 post-graduate students, and very occasionally undergraduate-status students in specific disciplines. The education under the Cambridge collegiate system is recognised internationally as being of the very highest standard. The teaching and research challenges and develops students academically, fosters leadership qualities and interpersonal skills, and prepares them to play full and effective roles in society, whether in the UK or in the 68 other countries from which the membership is currently drawn. Although only half a century old, the College already numbers Nobel prize winners amongst its Fellows and alumni.

In particular, the College provides:

- Physical and technical facilities supporting its students in their individual study regimes, as well as supporting teaching activities in the wider University, and for seminars and a public lecture series of international renown;

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- Pastoral, administrative, and academic support for its students through the Deanery with tutoring and mentoring provided by Fellows; and
- Social, cultural, sporting, musical and recreational facilities, enabling students to balance fully their academic and personal lives, and develop their potential, whilst studying in Cambridge.

The College advances research by:

- Providing currently 25 research fellowships and around 50 post-doctoral positions to outstanding researchers in the early stages of their careers; these appointments enable them to develop and focus intensively on their post-doctoral research work, in that crucially formative period prior to their taking on teaching duties in an academic post;
- Supporting the work of all its Fellows by creating and promoting international and interdisciplinary contact both informally and in seminars and lectures;
- Fostering academic networking, and access to and involvement in cutting-edge research, particularly by providing facilities for outstanding academics from other universities in the UK and overseas to make extended stays as Visiting Fellows and Visiting Researchers; and
- Offering access to invaluable resources for all members of the College, particularly in the provision and maintenance of a Study Centre and Library, and extensive IT facilities.

Members of, and academic visitors to, the College, both students and Fellows, are the prime beneficiaries. They are directly engaged in education, learning and research and the College's students are the recipients of such direct financial support as the College is able to provide to those of limited financial means. More widely, other beneficiaries include students and academic staff from other Cambridge Colleges and the University of Cambridge. Academics from other higher-education institutions and returning alumni members of the College are given opportunities to undertake interdisciplinary research and establish contacts, attend educational events at the College, and make use of its academic facilities; in parallel, the wider public is encouraged to attend certain educational activities provided by the College such as lectures, seminars and concerts. These activities serve to reinforce and underpin life-long learning. A particular example is the Annual Darwin Lecture Series, now in its 36th year, which runs for eight weeks each Lent Term, and attracts audiences of many hundreds drawn from the general public as well as the student and academic community. Since 2007 most of the lectures have been made available online for a global audience, and cumulative downloads to date exceed one million. This year in the midst of the COVID-19 pandemic the lectures were successfully given only online.

In fulfilling its charitable purposes of advancing education, learning and research, the College draws on its senior officers such as Master, Vice-Masters, Dean, and Bursar who receive stipends. These serve with other Fellows as charity trustees through being members of the College Council. Other stipendiary senior officers include the Development Director. Any employment and remuneration of the Master and Fellows is undertaken with the intention of furthering the College's aims and such employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through stipends and related benefits is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector. Without the services of its Master and Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

ACHIEVEMENTS AND PERFORMANCE

Academic Results and Student Body Profile

College members graduating in the 2020-21 academic year achieved 70 PhDs and 79 Masters-level degrees (2020: 49 and 68 respectively). During the COVID-19 pandemic there were no congregations at which students could graduate in person. Graduations resumed in person, but without guests, in July 2021 and arrangements are proposed for those who graduated in absence to return for a celebration ceremony with guests.

In the 2020-21 academic year there were 833 student members of the College (for all or part of the year) (2020: 786). Of these 621 were fee-paying post-graduate students and 212 were post-graduate students writing up or under examination (from whom the College receives no fees). The College's fee income in the year, under current arrangements within the collegiate University, is based on its number of fee-paying post-graduate students adjusted to a full-time equivalent, which for the year was 551.47 (2020: 536). 46.2% of fee-paying students were fully funded and 2.4% partially funded as to their combined graduate fees from sources of which the University or College is aware; the balance were self-funded or funded from sources of which the College is not formally aware.

Financial Overview

The College's income comprises academic fees, charges for student accommodation and catering services, investment income, and individual and corporate donations and bequests. Its expenditure comprises the costs of education, of providing and maintaining student residences and catering, of investment and property management, and of development fundraising and alumni relations; and expenditure includes all staff costs and depreciation. In the 2020-21 year the College made an unrestricted deficit after donations but before other gains and losses of £48,534 (2020: surplus of £719,518), a restricted surplus after donations but before other gains and losses of £1,399,237 (2020: £198,478) and new endowments amounted to £182,000 (2020: £226,000).

The net assets of the College at 30 June 2021 were £79,852,725 (2020: £73,664,348).

The College's restricted and endowment reserves at 30 June 2021 were £30,858,324 having increased by £4,537,369 in the year from £26,320,955. The restricted reserves comprise £10,315,171 of restricted or trust funds for defined educational purposes and £20,543,153 of endowment funds or general corporate capital funds, the income from which is essential to fund the deficit which would otherwise arise on the College's academic activities and student services. The College's unrestricted reserves have increased by £1,651,008 from £47,343,393 to £48,994,401. This total includes the College's cash reserves and some investment assets, but the great majority of such funds are fixed assets in the form of the College's operational land and buildings. The College's total reserves are reduced by a provision for pension liabilities of £2,055,234 (2020: £2,543,508).

The College has issued £13million of unsecured fixed interest rate debt raised by way of private placings. The weighted average rate of interest is 3.06% and repayment of the capital is due in the period 2043-2058. This funding will be used to invest in revenue generating operational assets for the College to house more of its students.

Benefactions and Donations

The College is most grateful for donations and bequests (including of royalties), from alumni and from other supporters and organisations. This generosity enables the College to extend and enhance its support for students and Fellows, for the Darwin Lecture Series, and for its physical estate. Current priorities include fundraising for studentships and student hardship, research fellowships, as well as improving elements of the current site (for example the new lift in the Hermitage), and increasing the stock of student accommodation close to the College site. Over the course of the year £1,551,091 (2020: £1,204,420) was raised, including documented pledges of £42,526. A total of 386 (2020: 212) individual and organisational donors contributed in the year at a variety of levels. The College is immensely grateful to them for their support. In particular, the College acknowledges with immense gratitude the most generous legacy received from the late Professor D H Mellor, which has enabled studentships in philosophy to be endowed in perpetuity.

The College spent £235,174 (2020: £227,772) on fundraising and alumni relations in the year. These costs are incurred as the College supports a fast-growing – and global – community of alumni. During the year, the College's events programme has been entirely virtual, although in-person events are now returning as of September 2021. The College invests in communicating with alumni and other supporters through the College magazine, The Darwinian, as well as making increased use of electronic and social media.

Endowment and Investment Performance

The College's financial investments are comprised of its invested endowment. The College, as a permanently endowed charity, adopts a long-term time horizon when making investments of its endowment. The College is advised on investment matters, via the Finance (and Investments) Committee, by its fund managers and independent external members co-opted to the Committee.

The return in the year on the College's corporate capital (unrestricted endowment) fund and on its (restricted endowment) trust pool fund was 16% net of fees. No withdrawal of invested capital from these funds was required or made in the year. Dividends and income received on quoted securities decreased year-on-year to £671,882 (2020: £963,949). All investment income received is applied in the pursuit of the charitable objects of the College.

The College encourages socially responsible investment, and monitors its investments against environmental, social and governance standards. Under its investment policy it will not invest in entities where: the investment may conflict, or be inconsistent, with primary aims, objectives and activities of the College; the investment might alienate the College's supporters or potential supporters; the investment may be reputationally damaging; the investment is considered by the Trustees to be unethical; or the investment might otherwise hamper the work of the College. In pursuance of this policy the College recognises that climate change is a real and present danger, and encourages debate on the appropriate response by the College to the risks climate change represents. The College seeks to support sustainability, carbon reduction, the development of renewable energy sources, and action to mitigate the effects of adverse climate change. Consequently, it has divested from fossil fuel companies in which it held shares, has invested in positive investment opportunities, and maintains its direct and indirect holdings under review to ensure these remain consistent with its investment policy.

Reserves policy

The College intends to continue to pursue its objectives in perpetuity. It therefore aims to protect and maintain the real value of its permanent corporate and trust capital, and to continue to increase its unrestricted funds and reserves for the long term, whilst seeking an equitable funding balance between the interests and aspirations of present members and those yet to come, and also retaining an ability to cope with sudden unforeseen financial upheavals and to take advantage of unexpected opportunities. Any new donations or bequests to the College are added to the unrestricted funds unless the donor has made it clear that the funds are to be used for a specific purpose.

The College's free reserves stood at the year end at £6,741,122 (2020: £4,647,407), being its total unrestricted reserves of £48,994,401 less that part of those reserves committed to functional assets (represented by the total of its tangible fixed assets) of £42,253,279. The College seeks to ensure that its free reserves stand in excess of one year's expenditure at current levels. Free reserves at the year-end represented 116% (2020: 81%) of expenditure incurred during the year.

Capital Expenditure

The main items of capital expenditure in the year related to the finalisation of miscellaneous aspects of the John Bradfield Court project and the installation of a lift in the Hermitage adjacent to the main entrance giving step free access from the street to ground and first floor (Dining Hall) levels. All constructions works suffered from delays due to the pandemic, but this did not cause any major disruption to College operations and activities. Minor refurbishment works were maintained and these and other projects have been capitalised in line with the fixed asset accounting policy, to the extent that they increase the expected future benefits to the College.

Building Renewals and Maintenance

The College's buildings on its main site are mainly eighteenth and nineteenth century with modern additions, and adapted houses and purpose-built student hostels off-domus. The buildings are maintained according to a comprehensive long-term rolling maintenance plan which seeks to ensure timely refurbishment, to a standard to minimise unplanned and costly remedial works, carried out within tight budget controls.

In the previous year the College established an Environment Infrastructure Working Group with a remit to investigate the impact of the College's physical estate on the environment, with a view to developing a decarbonisation strategy and adopting other environmentally beneficial measures. The Group's work has focussed on degasification as gas consumption for heating and hot water represents over 90% of the College's direct carbon emissions. Initial studies have demonstrated that the replacement of gas by heat pumps is feasible, and the College will now move into more detailed planning for such improvements across its estate over the next decade or so. For the College core around the Dining Hall, the Hermitage and Rayne Building, the degasification proposals will be included as part of the next phase of the implementation of the masterplan produced in 2018.

Pensions

The College has members of staff in the Universities' Superannuation Scheme (USS), a defined contribution workplace pension scheme, and the Cambridge Colleges' Federated Pension Scheme (CCFPS) (closed to new members).

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The College had 17 active USS members at 30 June 2021, although many Fellows will be USS members though their employment by the University. The USS valuation as at 31 March 2018 valued the assets of the scheme at £63.7 billion and valued its technical provisions at £67.3 billion, indicating a shortfall of £3.6 billion (and a funding ratio of 95%). The College is, taken apart from the University, a very small employer within the scheme. It has considered how to deal with the issues of conflict of interest for Fellows and Trustees should the College wish to take an active part in USS consultations regarding the scheme.

The most recent actuarial review of the CCFPS was as at 30 June 2020. The College's overall benefit funding liability has decreased to £1,908,830 (2020: £2,402,472).

COVID-19

The Novel Coronavirus (COVID-19) pandemic continued throughout the year under review to have a far-reaching impact on the College community and the Higher Education section in general. The arrangements put in place in March 2020, under which teaching, welfare support and examinations were delivered online largely remained in place for the 2020-21 academic year. The College housed and provided catering and other support from October 2020 to those students in residence in Cambridge and levels of occupancy in College accommodation, arranged into self-contained 'households' for Covid safety, remained reasonably high.

The Collegiate University, under the guidance of the COVID-19 Gold Team sought to maintain a consistent and co-ordinated response to the issues presented by the pandemic, by drawing on existing structures such as the Office for Intercollegiate Services and committees including representatives from all Colleges wide range of matters including teaching, assessment, graduation, admissions, buildings, accommodation and catering provision were dealt with through these channels. Central funds provided financial assistance to students experiencing hardship for example because of unexpected costs. The work done in the previous year by the recovery taskforce with representatives from the University and the Colleges, was carried forward with the consideration of the various scenarios for the emergence from the pandemic.

The arrangements for the operation of the University during the 2020-21 academic year were put in place after extensive work on health and safety assessments, testing facilities, support for staff and a communication campaign (Stay Safe Cambridge Uni) on the behaviours expected from the entire community. The University continued to contribute to the national effort to overcome the challenges presented by the virus through its research efforts to extend knowledge of the virus and by developing significant testing capacity. The clinical school and medical Fellows across the colleges were part of the clinical care effort.

The College adapted its own procedures and practices to function effectively in the circumstances. The safety and welfare of College staff was a constant concern, particularly for those staff members whose work cannot be carried out remotely. The financial impact of the pandemic on the College was felt in some reduction in accommodation income and a significant reduction in catering income especially from the many events and activities which take place in a normal year. Investment returns remain poor against historic yields but capital values recovered from the deep lows experienced in the early stages of the pandemic.

Principal Risks and Uncertainties

The main risks and uncertainties facing the College are those connected with the following matters:

- The ongoing COVID-19 global pandemic and any resurgence of it;
- The medium- and longer-term impact of the United Kingdom leaving the European Union, particularly where Brexit has affected research funding arrangements and student enrolments;
- Economic factors which might adversely affect the College's ability to provide its services to members, particularly the availability and cost of labour and supplies, and its sources of income, particularly endowment income, donations, fees and rents;
- External political and economic threats to the continuing attractiveness of the University to the diverse global academic elite, whether as applicant students or as faculty;
- The impact of climate change generally including the College's need to undertake major and expensive decarbonisation work,
- Increasing societal concerns regarding student mental health and well-being where the College must ensure that its pastoral functions adapt and remain effective;
- The need to minimise reputational risk through high standards and appropriate policies in areas in which the College might be the focus of activism or media attention;
- The escalating costs of providing and maintaining buildings and accommodation which are of suitable quality and in the best locations to meet the needs of students.

The College reviews risks generally at an institutional level and at an operational level. Major risks to which the College is or may be exposed from time to time are reviewed regularly by all College committees within their terms of reference, and reported to College Council and Governing Body. A risk register is maintained to monitor, mitigate or remove major risks as they are identified. Operational risks are reviewed at a departmental level and appropriate procedures put in place to monitor and control such risks. In relation to the associated specific risks the College maintains in place its COVID-19 working group (comprising Bursar, Dean, Second Bursar, and Head Porter) and this group has met twice weekly during the year and reports regularly to College Council. The group act as a conduit for advice and support emanating centrally in the collegiate University and consider the measures required in College and the communications required to keep College members and staff duly informed.

Plans for the future

Over the last 18 months the College has focused on supporting students through a global pandemic with a particular focus on financial support, pastoral care and providing safe spaces for academic study and relaxation. Alongside this, the College has continued to explore how best to grow and diversify its accommodation offer to students and post-doctoral fellows, expand and improve communal facilities for the whole College community, and become more sustainable especially through decarbonizing the estate. A Working Group of students, Fellows and Staff has been established to draw up an equity, diversity and inclusivity development plan for the College. Darwin has worked with the wider collegiate University to learn lessons from the pandemic for the future of research and teaching, as well as considering the optimal composition of the University over the coming years.

To agree and articulate the future direction of Darwin College in pursuance of its aims and objectives, the College will develop a strategic plan over the coming year that sets out the anticipated size and shape of the College in terms of its students, Fellows and other members, the estate, staffing and financial needs to support this. Such a plan, will build on the distinctive strengths and characteristics

of the College and set out a vision and strategic priorities for the next ten years. It is anticipated that this plan will strengthen the ability of the College community to enhance its academic excellence, contribute to addressing global challenges and diversify its membership. Delivering the Strategic Plan will require further sustained fundraising and developing new partnerships.

GOVERNANCE

Corporate Governance

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the management of the College's resources and audit oversight.

The College is a registered charity (Registered Number 1141105) and subject to regulation by the Charity Commission for England and Wales. The College Council provides the trustees of the charity and they are responsible for ensuring compliance with charity law. The Trustees are advised in meeting those duties by a number of Committees, and internal and external professionally qualified advisers. Members of the College Council forming the Trustee Body during the year to 30 June 2021 are indicated at Page 2.

The Principal Officers of the College under Statute are the Master, Vice-Master, Dean, and Bursar, and the holders of these offices during the year are identified on Page 2. Dr M R W Rands became Master on 1 October 2020 on the retirement of Professor C M R Fowler after eight years of distinguished service. Two joint Vice-Masters continue to share the duties of the office, and of whom Professor F E Karet serves as Vice-Master for statutory purposes.

The Governing Body, comprising the Master and Fellows under Titles A, C, D, and E, holds at least six meetings a year, with the November/December meeting being the Annual Meeting.

The College Council comprises the Master, Vice-Masters, Dean, and Bursar ex-officio, and four Fellows elected by the Governing Body. The current Student Association President attends ex-officio, and two further student members are elected directly by the student body each year. The College Council meets on a regular basis throughout the year and is responsible for the everyday administration of the College in all matters not allocated by Statute to the Governing Body or the Finance Committee. The College Council makes regular reports to each meeting of the Governing Body.

The Finance (and Investments) Committee, composed of the Master, Vice-Master, and Bursar ex-officio, and three Fellows elected by the Governing Body to serve from the beginning of a given academic year, manages the College investments and, with a directly elected student representative, controls and administers the revenues and expenditures in accordance with College Statutes, Ordinances, and the Charities Act. When acting as the Investment Committee, the membership is reinforced by up to three external members, and the College's investment managers are in attendance.

It is the specified duty of the Finance Committee to keep under constant review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external auditors; to give initial consideration to reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make periodic formal Reports to the Trustees and Governing Body.

Registers of Interests in a form prescribed by the College's Conflicts of Interest Policy are maintained for the Trustees, and Related Party forms are obtained from the Trustees and Heads of College Departments as part of the annual audit. The declaration of interests is a formal agenda item at the beginning of every College meeting.

Statement on Internal Control

The Trustees are responsible for ensuring a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding public and other funds and assets for which the charity holds responsibility, in accordance with College Statutes and Ordinances, and the Charities Act 2006.

The systems of internal control are designed to identify the principal risks bearing on the achievement of aims, objectives and policies, to evaluate the nature and extent of those risks, and to ameliorate and control them efficiently, effectively and economically. The systems of internal control are structured realistically to identify and control most of the risks of failure to achieve aims, objectives and policies, rather than attempt to eliminate risk entirely; it therefore provides reasonable, but not absolute, assurance of effectiveness. These processes were in place for the year ended 30 June 2021 and throughout the period to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the systems of internal control. The Trustees' continual review of the effectiveness of the systems is informed by the work of the various Committees, the Bursar, and the College Officers who hold responsibility for the development and application of an internal control framework and for the investigation and resolution of any comments raised by the external auditors in their post audit and other reports.

General Responsibilities of the Trustees

The Trustees are responsible for the preparation of the Annual Report and financial statements in accordance with applicable law and having regard to United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The College Statutes and Ordinances, and those of the University of Cambridge, require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State that 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 inappropriate to presume that the College would continue in operation.

The Trustees are responsible for keeping accounting records which, at any time, disclose with reasonable accuracy 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.

DARWIN COLLEGE
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FOR THE YEAR ENDED 30 JUNE 2021

Approved by the Trustees on 17 November 2021

A handwritten signature in black ink, appearing to read 'J T Dix', written in a cursive style.

J T Dix
Bursar

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DARWIN COLLEGE

Opinion

We have audited the financial statements of Darwin College (the 'College') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Annual 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 trustees

As explained more fully in the responsibilities of the trustees' statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with relevant regulators and the College's legal advisors.

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

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

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

Use of our report

This report is made solely to the College's trustees as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our work has been undertaken so that we might state to the trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 10 December 2021

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

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

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

Basis of accounting

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

Going Concern

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2021 year-end up to financial year end 2023 using three difference scenarios as part of a wider collegiate University financial planning exercise. The College has also set a detailed budget plan for the financial year 2020-21. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans demonstrate that the College has sufficient resources to meet liabilities as they fall due. The Trustees consider preparation of these financial statements using a going concern basis to be appropriate.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

Restricted 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 are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Other income

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

Cambridge Bursary Scheme

In 2020-21, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £2,800 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£2,800
Expenditure	£5,600

Tangible fixed assets

Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to 1 July 2014, the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of between 50 and 100 years.

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

Furniture, Fittings and Equipment

Furniture, fittings and equipment in excess of £5,000 are capitalised and depreciated over their estimated useful lives.

Leased assets

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

Investments

Fixed asset investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits 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.

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

Taxation

The College is a registered charity (number 1141105) 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.

Pension costs

Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution 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 institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Employment benefits

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

Reserves

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

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

Critical accounting judgements

The preparation of the College's accounts requires the Trustees 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.

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

Income recognition

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

Useful lives of property, plant and equipment

Property plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Retirement benefit obligations

The cost of defined benefit pension plans is 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 24.

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. The Trustees 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 financial statements.

DARWIN COLLEGE
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STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	2021				2020			
		Unre- stricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
Income									
Academic fees & charges	1	2,255,887	-	-	2,255,887	2,110,342	-	-	2,110,342
Residences & catering	2	2,182,247	-	-	2,182,247	2,481,419	-	-	2,481,419
Investment Income	3	618,246	159,465	-	777,711	826,134	214,150	-	1,040,284
Other income (Coronavirus Job Retention Scheme)		114,994	-	-	114,994	81,246	-	-	81,246
Total income before donations & endowments		5,171,374	159,465	-	5,330,839	5,499,141	214,150	-	5,713,291
Donations		322,681	1,506,892	-	1,829,573	644,128	189,417	-	833,545
New endowments		-	-	-	-	-	-	-	-
Capital grant from Colleges Fund		-	-	182,000	182,000	-	-	226,000	226,000
Other capital grants for assets		-	1,149	-	1,149	-	74,225	-	74,225
Total income		5,494,055	1,667,506	182,000	7,343,561	6,143,269	477,792	226,000	6,847,061
Expenditure									
Education	4	2,113,365	268,269	-	2,381,634	1,941,018	279,314	-	2,220,332
Residences & catering	5	2,833,091	-	-	2,833,091	2,804,643	-	-	2,804,643
Other expenditure		596,133	-	-	596,133	678,090	-	-	678,090
Total Expenditure		5,542,589	268,269	-	5,810,858	5,423,751	279,314	-	5,703,065
Surplus/(Deficit) before other gains and losses		(48,534)	1,399,237	182,000	1,532,703	719,518	198,478	226,000	1,143,996
Gains/(Losses) on disposal of fixed assets		-	-	-	-	-	-	-	-
Gains/(Losses) on investments		1,007,194	535,501	2,441,258	3,983,953	(835,255)	(60,078)	(636,384)	(1,531,717)
Surplus/(Deficit) for the year		958,660	1,934,738	2,623,258	5,516,656	(115,737)	138,400	(410,384)	(387,721)
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes		671,721	-	-	671,721	(372,465)	-	-	(372,465)
Total comprehensive income for the year		1,630,381	1,934,738	2,623,258	6,188,377	(488,202)	138,400	(410,384)	(760,186)

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STATEMENT OF CHANGES IN RESERVES

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2020	47,343,393	3,286,944	23,034,011	73,664,348
Surplus/(Deficit) from income and expenditure statement	958,660	1,934,738	2,623,258	5,516,656
Other comprehensive income	671,721	-	-	671,721
Release of restricted capital funds spent in year	20,627	(20,627)	-	-
Balance at 30 June 2021	<u>48,994,401</u>	<u>5,201,055</u>	<u>25,657,269</u>	<u>79,852,725</u>

	Income and Expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£	£	£	£
Balance at 1 July 2019	47,756,848	3,223,291	23,444,395	74,424,534
Surplus/(Deficit) from income and expenditure statement	(115,737)	138,400	(410,384)	(387,721)
Other comprehensive income	(372,465)	-	-	(372,465)
Release of restricted capital funds spent in year	74,747	(74,747)	-	-
Balance at 30 June 2020	<u>47,343,393</u>	<u>3,286,944</u>	<u>23,034,011</u>	<u>73,664,348</u>

DARWIN COLLEGE
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BALANCE SHEET AS AT 30 JUNE 2021

	Note	2021 £	2020 £
Fixed Assets			
Tangible Assets	8	42,253,279	42,695,986
Investment Assets	9	43,114,379	39,503,118
		<u>85,367,658</u>	<u>82,199,104</u>
Current Assets			
Stock	10	44,870	42,530
Debtors	11	856,854	615,580
Cash	12	9,805,192	7,553,784
		<u>10,706,916</u>	<u>8,211,894</u>
Creditors	13	<u>1,166,615</u>	<u>1,203,142</u>
Net Current Assets/(Liabilities)		<u>9,540,301</u>	<u>7,008,752</u>
Creditors: more than one year	14	(13,000,000)	(13,000,000)
Provisions			
Pension provision	15	(2,055,234)	(2,543,508)
Net Assets		<u>79,852,725</u>	<u>73,664,348</u>
Restricted Reserves			
Income and expenditure reserve - endowment reserve	16	25,657,269	23,034,011
Income and expenditure reserve - restricted reserve	17	5,201,055	3,286,944
		<u>30,858,324</u>	<u>26,320,955</u>
Unrestricted Reserves			
Income and expenditure reserve - unrestricted		48,994,401	47,343,393
		<u>48,994,401</u>	<u>47,343,393</u>
Total Reserves		<u>79,852,725</u>	<u>73,664,348</u>

These accounts were approved by the Trustees on 17 November 2021 and are signed on their behalf by:

.....
Dr M Rands, Master

DARWIN COLLEGE
 ANNUAL REPORT AND ACCOUNTS
 FOR THE YEAR ENDED 30 JUNE 2021

CASH FLOW STATEMENT

	Note	2021 £	2020 £
Net cash inflow from operating activities	18	1,070,084	1,117,394
Cash flows from investing activities	19	786,102	4,981,900
Cash flows from financing activities	20	395,222	395,759
Increase/(Decrease) in cash and cash equivalents in the year		<u>2,251,408</u>	<u>6,495,053</u>
Cash and cash equivalents at beginning of the year		7,553,784	1,058,731
Cash and cash equivalents at end of the year	12	<u>9,805,192</u>	<u>7,553,784</u>

NOTES TO THE ACCOUNTS

1 Academic fees and charges	2021	2020
	£	£
Colleges fees:		
Fee income received at the Regulated undergraduate rate	24,920	15,552
Fee income received at the Unregulated rate	30,000	33,750
Fee income received at the Graduate fee rate	2,199,409	2,056,945
Other income	1,558	4,095
Total	2,255,887	2,110,342
2 Income from Accommodation and Catering	2021	2020
	£	£
Accommodation College members	2,019,749	2,092,961
Catering College members	162,498	388,458
Total	2,182,247	2,481,419
3 Endowment return and investment income	2021	2020
	£	£
Income from:		
Land and buildings	79,489	72,165
Quoted securities	671,882	963,949
Other interest receivable	26,340	4,170
Total	777,711	1,040,284
4 Education expenditure	2021	2020
	£	£
Teaching	125,736	111,951
Tutorial	402,682	355,219
Admissions	559,018	507,379
Research	664,533	360,083
Scholarships and awards	278,796	268,314
Other educational facilities	350,869	617,386
Total (Note 6)	2,381,634	2,220,332

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5 Accommodation and Catering Expenditure	2021	2020
	£	£
Accommodation College members	2,030,992	1,863,386
Catering College members	802,099	941,257
Total (Note 6)	2,833,091	2,804,643

6a Analysis of 2020/2021 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,230,613	908,919	242,102	2,381,634
Accommodation and catering	1,139,291	1,128,895	564,905	2,833,091
Other	76,630	519,503	-	596,133
Total	2,446,534	2,557,317	807,007	5,810,858

Expenditure includes fundraising costs of £235,174. This expenditure includes the costs of alumni relations.

6b Analysis of 2019/2020 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education	1,139,612	882,773	197,947	2,220,332
Accommodation and catering	1,155,208	1,187,558	461,877	2,804,643
Other	67,208	610,882	-	678,090
Total	2,362,028	2,681,213	659,824	5,703,065

Expenditure includes fundraising costs of £227,772. This expenditure includes the costs of alumni relations.

6c Auditors' remuneration	2021	2020
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	20,538	19,290
Other fees payable to the College's external auditors	2,100	-

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7a Staff costs

	Academic	Non- Academic	2021 Total	2020 Total
	£	£	£	£
Staff costs:				
Salaries	451,512	1,343,942	1,795,454	1,817,614
National Insurance	35,641	100,826	136,467	137,951
Pension costs	76,888	437,725	514,613	406,463
	<u>564,041</u>	<u>1,882,493</u>	<u>2,446,534</u>	<u>2,362,028</u>
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	29		29	
Non-academic		51		48
Total	<u>29</u>	<u>51</u>	<u>29</u>	<u>48</u>

At the Balance Sheet date the Governing Body comprised of 70 Fellows, of which 9 served as Trustees on College Council. During the year the average number of Fellows receiving remuneration was 29 as shown above. The Trustees received no remuneration in their capacity as Trustees of the Charity.

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

	2021 Total	2020 Total
£100,001 - £110,000	1	1
£110,001 - £120,000	0	0

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

7b Key Management Personnel

	2021 £	2020 £
Aggregated remuneration of key management personnel	235,356	220,354

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

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8 Fixed assets

Tangible fixed assets

	Land	College Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Motor Vehicles	2021 Total	2020 Total
	£	£	£	£	£	£	£
Cost or valuation							
At beginning of year	21,108,421	17,492,563	7,736,395	36,788	10,524	46,384,691	44,870,775
Transfer from assets under construction		5,298,102	(5,298,102)			-	-
Additions at cost	-	25,047	339,253	-	-	364,300	1,538,765
Disposal at cost	-	-	-	-	-	-	(24,849)
At end of year	<u>21,108,421</u>	<u>22,815,712</u>	<u>2,777,546</u>	<u>36,788</u>	<u>10,524</u>	<u>46,748,991</u>	<u>46,384,691</u>
Depreciation							
At beginning of year	-	3,653,627	-	28,786	6,292	3,688,705	3,028,881
Charge for the year	-	800,901	-	4,001	2,105	807,007	659,824
Written back on disposal	-	-	-	-	-	-	-
At end of year	<u>-</u>	<u>4,454,528</u>	<u>-</u>	<u>32,787</u>	<u>8,397</u>	<u>4,495,712</u>	<u>3,688,705</u>
Net book value							
At end of year	<u>21,108,421</u>	<u>18,361,184</u>	<u>2,777,546</u>	<u>4,001</u>	<u>2,127</u>	<u>42,253,279</u>	<u>42,695,986</u>
At beginning of year	<u>21,108,421</u>	<u>13,838,936</u>	<u>7,736,395</u>	<u>8,002</u>	<u>4,232</u>	<u>42,695,986</u>	<u>41,841,894</u>

The insured value of freehold buildings as at 30 June 2021 was £39,821,237 (2020: £34,482,726).

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9 Investments

	2021	2020
	£	£
Balance at beginning of year	39,503,118	46,490,366
Additions	9,452,124	11,386,546
Disposals	(9,519,001)	(22,875,338)
Gain/(Loss)	3,301,924	(186,010)
Increase/(Decrease) in cash balances held at fund managers	376,214	4,687,554
Balance at end of year	<u>43,114,379</u>	<u>39,503,118</u>
Represented by:		
Property	2,530,000	2,850,142
Quoted securities - equities	27,459,587	24,130,606
Fixed interest securities	2,698,154	2,568,822
Cash in hand at investment managers	6,533,967	6,158,580
Other	3,892,671	3,794,968
	<u>43,114,379</u>	<u>39,503,118</u>

10 Stocks

	2021	2020
	£	£
Goods for resale	44,870	42,530

11 Trade and other receivables

	2021	2020
	£	£
Members of the College	302,867	363,280
University fees	-	-
Other receivables	2,079	26,805
Prepayments and accrued income	551,908	225,495
	<u>856,854</u>	<u>615,580</u>

12 Cash and cash equivalents

	2021	2020
	£	£
Short-term money market investments	4,017,223	2,000,233
Bank deposits	5,789,615	5,551,789
Current accounts	(4,161)	(551)
Cash in hand	2,515	2,313
	<u>9,805,192</u>	<u>7,553,784</u>

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13 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	292,238	235,435
Members of the College	266,203	194,716
University fees	235,522	419,476
Other creditors	43,961	35,066
Accruals and deferred income	328,691	318,449
	<u>1,166,615</u>	<u>1,203,142</u>

14 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Private Placement	13,000,000	13,000,000

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £3 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with two other Colleges, the College's share being £10 million. The loans are unsecured and repayable during 2058, and are at fixed interest rates of approximately 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt.

15 Pension provisions

	CCFPS	USS	2021	2020
	£	£	Total	Total
			£	£
Balance at beginning of year	2,402,472	141,036	2,543,508	2,101,720
Movement in year:				
Current service cost including life assurance	450,713	79,583	530,296	420,879
Contributions	(272,634)	(74,215)	(346,849)	(351,556)
Other finance (income)/cost				
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(671,721)	-	(671,721)	372,465
Balance at end of year	<u>1,908,830</u>	<u>146,404</u>	<u>2,055,234</u>	<u>2,543,508</u>

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16 Endowment funds

	Restricted permanent endowments	Unrestricted permanent endowments	2021	2020
	£	£	Total	Total
			£	£
Balance at beginning of year:				
Capital	4,555,698	18,478,313	23,034,011	23,444,395
New donations and endowments	-	182,000	182,000	226,000
Increase/(Decrease) in market value of investments	558,418	1,882,840	2,441,258	(636,384)
Transfer of funds	-	-	-	-
Balance at end of year	5,114,116	20,543,153	25,657,269	23,034,011
Analysis by type of purpose				
Fellowship Funds	2,958,351	-	2,958,351	2,635,325
Scholarship and Studentship Funds	1,176,791	-	1,176,791	1,048,295
Bursary Funds	681,250	-	681,250	606,863
Travel Grant Funds	269,816	-	269,816	240,354
Other Funds	27,908	-	27,908	24,861
General endowments	-	20,543,153	20,543,153	18,478,313
	5,114,116	20,543,153	25,657,269	23,034,011
Analysis by asset				
Property			2,530,000	2,850,142
Investments			23,127,269	20,183,869
Cash			-	-
			25,657,269	23,034,011

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17 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £	Permanent unspent & other restricted income £	Restricted expendable endowment £	2021 Total £	2020 Total £
Balance at beginning of year:	19,478	2,911,481	355,985	3,286,944	3,223,291
New grants	-	-	-	-	-
New donations	1,149	16,742	1,490,149	1,508,040	263,642
Endowment return transferred	-	-	-	-	-
Other investment income	-	150,455	9,010	159,465	214,150
Increase/(Decrease) in market value of investments	-	298,966	236,535	535,501	(60,078)
Expenditure	-	(209,248)	(59,020)	(268,268)	(279,314)
Capital grants utilised	(20,627)	-	-	(20,627)	(74,747)
Transfer to unrestricted	-	(44,345)	44,345	-	-
Balance at end of year	-	3,124,051	2,077,004	5,201,055	3,286,944
Analysis of other restricted funds/donations by type of purpose					
Fellowship Funds	-	1,303,529	45,188	1,348,717	1,262,225
Scholarship and Studentship Funds	-	1,217,035	2,031,816	3,248,851	1,461,231
Bursary Funds	-	558,751	-	558,751	505,277
Travel Grant Funds	-	30,589	-	30,589	24,968
Other Funds	-	14,147	-	14,147	13,765
General	-	-	-	-	19,478
	-	3,124,051	2,077,004	5,201,055	3,286,944
Analysis by asset					
Property				-	-
Investments				4,663,898	2,742,620
Cash				537,157	544,324
				5,201,055	3,286,944

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

	2021	2020
	£	£
Surplus/(Deficit) for the year	6,188,377	(760,186)
Adjustment for non-cash items		
Depreciation	807,007	659,824
Investment management costs	-	-
(Gain)/loss on endowments and investment property	(3,983,953)	1,531,717
(Increase)/Decrease in stocks	(2,340)	6,726
(Increase)/Decrease in trade and other receivables	(241,274)	322,590
Increase/(Decrease) in creditors	(36,526)	350,978
Pension costs less contributions payable	(488,274)	441,788
Adjustment for investing or financing activities		
Investment income	(777,711)	(1,040,284)
Interest payable	(395,222)	(395,759)
Loan fees paid	-	-
Net cash inflow from operating activities	<u>1,070,084</u>	<u>1,117,394</u>

19 Cash flows from investing activities

	2021	2020
	£	£
Non-current investment disposal	10,201,029	21,554,480
Investment income	777,711	1,040,284
Endowment funds invested	(9,452,124)	(11,386,546)
(Increase)/Decrease in cash balances held at fund managers	(376,214)	(4,687,554)
Payments made to acquire non-current fixed assets	(364,300)	(1,538,764)
Total cash flows from investing activities	<u>786,102</u>	<u>4,981,900</u>

20 Cash flows from financing activities

	2021	2020
	£	£
Interest paid	395,222	395,759
New loan	-	-
New loan fees paid	-	-
Total cash flows from financing activities	<u>395,222</u>	<u>395,759</u>

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21 Consolidated reconciliation and analysis of net debt

	At 1 July 2020	Cash flows	At 30 June 2021
	£	£	£
Cash and cash equivalents	7,553,784	2,251,408	9,805,192
Borrowings - amounts due within one year	-	-	-
Borrowings - amounts due after more than one year			
Unsecured loans	13,000,000	-	13,000,000
Net total	<u>(5,446,216)</u>	<u>2,251,408</u>	<u>(3,194,808)</u>

See note 14 for further details of the £13m unsecured debt, raised by private placements, at fixed interest-rates and repayable 2043 - 2058.

22 Financial Instruments

	2021	2020
	£	£
Financial Assets		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments	34,040,411	30,484,395
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments	10,001	10,001
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	9,805,192	7,553,784
Cash in hand at investment managers	6,533,967	6,158,580
Other debtors	856,854	615,580
Financial Liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	13,000,000	13,000,000
Trade creditors	292,238	235,435
Other creditors	874,377	967,707

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

23 Lease obligations

	2021	2020
	£	£
At 30 June 2021 the College had annual commitments under non-cancellable operating leases as follows:		
Land and buildings:		
Expiring within one year	174,531	168,906
Expiring between two and five years	752,271	189,115
Expiring in over five years	202,382	-

24 Pensions

The College participates in two defined benefit schemes, the Universities' Superannuation Scheme (USS) and the Cambridge Colleges' Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trustee-administered funds. The total pension cost for the 12 months to 30 June 2021 was £267,234 (2020: £272,415).

24a Universities' Superannuation Scheme

The total cost charged to the profit and loss account is £74,215 (2020: £66,329).

Deficit recovery contributions due within one year for the institution are £39,543 (2020: £22,687).

The valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022. The previous complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (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 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

2018 valuation

Mortality base table	<u>Pre-retirement:</u>
	71% of AMCO0 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	<u>Post retirement:</u>

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97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.

Note 24a (USS) cont.

Future improvements to mortality CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

Life expectancy on retirement	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate increased to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	n/a	n/a

24b Cambridge Colleges' Federated Pension Scheme

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

The liabilities of the plan have been calculated, at 30 June 2021, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2021	2020
	% p.a.	% p.a.
Discount rate	1.80	1.45
Increase in salaries	3.10	2.70
RPI assumption	3.40	3.10
CPI assumption	2.60	2.20
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.00
Pension Increases in payment (CPI Max 2.5% p.a.)	1.95	1.80

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

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- Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 years).

Note 24b (CCFPS) cont.

- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.7 years (previously 25.6 years).

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

	Male	Female
Active Members – Option 1 Benefits	64	634
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 2021 (with comparative figures as at 30 June 2020) are as follows:

	2021	2020
	£	£
Present value of plan liabilities	(6,932,120)	(6,782,990)
Market value of plan assets	5,023,290	4,380,518
Net defined benefit asset/(liability)	(1,908,830)	(2,402,472)

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows.

	2021	2020
	£	£
Current service cost	401,829	351,852
Administrative costs	13,773	13,773
Interest on net defined benefit (asset)/liability	35,111	43,334
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	450,713	408,959

Changes in the present value of the plan liabilities for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Present value of plan liabilities at beginning of period	6,782,990	5,871,205
Current service cost	401,829	351,852
Employee contributions	28,706	25,374
Benefits paid	16,218	(212,945)
Interest on plan liabilities	101,521	133,943
Actuarial (gains)/losses	(399,144)	613,561
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-

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Present value of plan liabilities at end of period	<u>6,932,120</u>	<u>6,782,990</u>
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Note 24b (CCFPS) cont.

Changes in the fair value of the plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Market value of plan assets at beginning of period	4,380,518	3,964,930
Contributions paid by the College	272,634	285,227
Employee contributions	28,706	25,374
Benefits paid	16,218	(212,945)
Administrative expenses paid	(18,865)	(18,512)
Interest on plan assets	66,410	90,609
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	277,669	245,835
Market value of plan assets at end of period	<u>5,023,290</u>	<u>4,380,518</u>
Actual return on plan assets	344,079	336,444

The major categories of plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
Equities	48%	49%
Bonds & Cash	42%	41%
Property	10%	10%
Total	<u>100%</u>	<u>100%</u>

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

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	277,669	245,835
Expected less actual plan expenses	(5,092)	(4,739)
Experience gains and losses arising on plan liabilities	302,410	6,985
Changes in assumptions underlying the present value of plan liabilities	96,734	(620,546)
Remeasurement of net defined benefit liability recognised in OCI	<u>671,721</u>	<u>(372,465)</u>

Note 24b (CCFPS) cont.

Movement in net defined benefit asset/(liability) during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Net defined benefit asset/(liability) at beginning of year	(2,402,472)	(1,906,275)
Recognised in the Statement of Comprehensive Income and Expenditure	(450,713)	(408,959)
Contributions paid by the College	272,634	285,227
Remeasurement of net defined benefit liability recognised in OCI	671,721	(372,465)
Net defined benefit asset/(liability) at end of year	<u>(1,908,830)</u>	<u>(2,402,472)</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 actuarial valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £35,653 p.a. payable for the period from 1 July 2018 to 30 June 2021.
- Annual contributions of not less than £64,837 per annum payable for the period from 1 July 2021 to 31 March 2030.

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

25 Related Party Transactions

Owing to the nature of the College's operations and the composition of its Trustees, it is possible that transactions will take place with organisations in which a Trustee may have an interest. All transactions involving organisations in which a Trustee 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 Trustees and where any Trustee 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 a Remuneration Sub-Committee of

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the College's Finance Committee, whose membership comprises independent external members, Fellows who are not Trustees, and the Bursar.

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

From:	To:	Number of Fellows	
		2021	2020
£0	£10,000	6	6
£10,001	£20,000	-	-
£20,001	£30,000	-	-
£30,001	£40,000	-	1
£40,001	£50,000	1	1
£50,001	£60,000	1	-
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	1	1
	Total	<u>9</u>	<u>9</u>

The total Trustee salaries were £187,134 for the year (2019: £174,502)

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £55,592 for the year (2020: £52,013)

26 Post Balance Sheet Event

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £264,944 in the provision for the obligation to fund the deficit on the USS pension which would instead be £411,348. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £510,961 in the provision for the obligation to fund the deficit on the USS pension which would instead be £656,965.