Selwyn College, Cambridge

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

Registered Charity No. 1137517

Contents

Selwyn College
Grange Road, Cambridge CB3 9DQ
Charity Registration Number 1137517

The Head, Fellows and Scholars of Selwyn College is a corporate body comprising the Master, Fellows and Scholars, founded in 1882. In August 2010, the College became a registered charity with the Charities Commission, with its registered office at Grange Road, Cambridge CB3 9DQ.

Members of the Governing Body serving during the year

Mr Roger Mosey
Dr Carol A Armitage
Professor Patrick J N Baert
Dr Anita Balakrishnan
Dr Ronita Bardhan
Dr Daniel A Beauregard
Dr Joseph R Bitney
Dr Christopher Briggs
Professor Uradyn E Bulag
Professor Nicholas J Butterfield
Dr Jack O Button
Dr Bryan Cameron
Professor R Stewart Cant
Dr Filipe Carreira da Silva
Professor Daping Chu
Professor William J Clegg
Professor Philip J Connell
Professor John S Dennis
Dr Lynn V Dicks
Professor Katharine J Ellis
Dr Stuart M Eves
Professor Leonardo Felli
Dr Elena Y Filimonova
Mrs Sarah Fraser Butlin
Dr Jessica Gardner
Dr Fabian Grabenhorst
Dr Marta Halina
Dr Emily Hancox
Dr Nicole M Hartwell
Dr Joerg Haustein
Dr Alan D Howard
Dr James H Keeler
Dr Myun Gun Kim
Mr Oleg Kitov
Professor Shaun T Larcom
Dr Robert Lee
Dr Anna H Lippert
Ms Sarah E A MacDonald
Dr Katarzyna Macieszczak
Mr James M R Matheson
Dr Kirsty McDougall
Dr Sarah Meer
Dr James Moultrie
Mr Michael G Nicholson
Professor Nikolaos Nikiforakis
Dr Mathias Nowak
Dr Diarmuid R O'Donnell
Dr Janet A O'Sullivan
Dr Helena C Phillips-Robins
Mr Martin Pierce
Dr Charlotte Reinbold
Professor Stewart O Sage
Dr Michael J Sewell
Revd Canon Hugh D Shilson-Thomas
Dr David L Smith
Dr Thomas D Smith
Professor Grant D Stewart
Professor Charlotte Summers
Professor Robert C Tasker
Dr Rupert J E Thompson
Dr Chander K Velu
Dr Deepak Venkateshvaran
Dr Dacia Viejo Rose
Dr Alex C Waghorn
Professor Heather M Webb
Dr Lauren Wilcox
Dr Charlotte Woodford
Dr Victoria Young

Junior Members

To December 2021:

Isabel Roberts (JCR President)
Henry Campos (JCR Treasurer)
Mariana Ramos de Lima (MCR President)

From January 2022:

Bella Cross (JCR President)
Matthew Hambling (JCR Treasurer)
Elsa Kobeissi (MCR President)

Reference and Administration

Senior Officers:

Head of House:	Mr Roger Mosey
Vice Master:	Dr Janet O'Sullivan
Bursar:	Mr Martin Pierce
Senior Tutor:	Dr Michael J Sewell

Principal advisers:

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

Bankers:
Barclays Bank PLC
P O Box 885
Mortlock House
Station Road
Histon
Cambridge
CB24 9DE

Investment Managers:
J M Finn & Co
25 Copthall Avenue
London
EC2R 7AH

Operating and Financial Review for the Year ended 30 June 2022

1. INTRODUCTION

Selwyn College (the "College") is pleased to present its operating and financial review, together with the financial statements for the year ended 30 June 2022.

After two years where the College's operations and finances were significantly adversely impacted by the Covid-19 pandemic, 2021-22 was a transitional year. Although the most serious effects of the pandemic appear to be behind us, we have moved into a period of new challenges of inflationary cost pressures largely resulting from Russia's war in Ukraine.

From the perspective of the College and its students, 2021-22 provided a welcome return to something more like pre-pandemic normal life, both educationally and socially, with students in residence the whole year round for the first time since 2018-19. However, less immediately visibly, the conference business, which provides important financial support to the College's educational and pastoral services, remained significantly below pre-pandemic levels. Meanwhile, the turbulence in global investment markets, which started at the beginning of 2022, provided a further significant headwind to the College's financial recovery from the pandemic.

Notwithstanding these challenges, the life of the College has largely returned to 'business as usual', and overall the financial results in 2021-22 represent a material improvement over the previous year.

2. GOVERNANCE OF THE COLLEGE

(a) Statutes, Governing Body and Council

The College is a corporation established by Royal Charter of 13 September 1882. The arrangements for governance of the College are set out in its Statutes. The Master is Head of House, has statutory powers of governance and presides over the Governing Body and the Council. The Senior Tutor has overall responsibility for the admission, education and welfare of undergraduates and graduates and the Bursar has overall responsibility for the finances, estate and administration of the College. The members of the Governing Body serving during the year to 30 June 2022 are shown at the beginning of this report. With the exception of the junior members, Governing Body members serve until the earlier of retirement or the end of the academic year in which they reach 67 years of age, provided that they remain Fellows of the College.

The Governing Body, which meets three times a year, delegates day-to-day responsibility for the running of the College to the College Council and its Committees. Representatives of the undergraduate and postgraduate student bodies are members of the Governing Body and Council, and many of the Committees. The Council typically meets eleven times a year – three times per term and twice during the summer vacation. External members attend meetings of the Investment Committee, the Alumni & Development Committee and the Remuneration Committee. Members of the Governing Body are required to act with integrity, in the College's interests without regard to their own private interests, and to manage the affairs of the College prudently, balancing long-term and short-term considerations. The College has a policy for managing conflicts of interest, maintaining a register of interests and seeking declarations of potential conflict at the start of any meeting.

(b) Charitable Status

The College was registered as a charity with the Charity Commission on 12 August 2010 (Registered Number: 1137517). The Governing Body is the trustee body for the charity and all members of the Governing Body are trustees. In line with Charity Commission recommended best practice, the College has appointed a majority of independent members to its Remuneration Committee and has appointed a special committee of disinterested persons to advise it on any matters relating to changes in the Universities Superannuation Scheme.

It should be noted that the College is currently in the process of revising its Statutes, as a result of which the senior members of the College Council (as defined in the current Statutes) are likely to become the trustee body, rather than the much larger Governing Body. However, this will not take effect until at least the financial year 2023-24.

(c) Financial Reporting

The Governing Body has responsibility for ensuring that there is an effective system of internal controls and that financial records are accurately maintained. It is also responsible for safeguarding the assets of the College and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The College is required by statute to present audited financial statements for each financial year. The Cambridge colleges are classed as a special case for purposes of accounting and continue to publish accounts in the form stipulated by Statute G III 2(i) of the University, *The Recommended Cambridge Colleges Accounts ("RCCA"),* which is based on Financial Reporting Standards and is compliant with the *Statement of Recommended Practice: Accounting for Further and Higher Education.* The Intercollegiate Committee for College Accounts advises on interpretation. The College is a charity within the meaning of the Taxes Act 1988, s 506 (1).

(d) Relationship with the University

The College is a legally autonomous body; however, it exists within the federal structure of the University. Matters of concern to all colleges and the University are discussed and acted on through a system of University-wide committees, such as the Colleges' Committee, of which all Heads of House are members, the Senior Tutors' Committee, and the Bursars' Committee. Representatives of the Senior Tutors and Bursars sit on each other's committees and on the Colleges Committee. These committees work through the building of consensus as their decisions are not constitutionally binding. The Cambridge colleges have established an Office for Intercollegiate Services to support the activities of the principal intercollegiate committees.

3. AIMS, OBJECTIVES AND ACHIEVEMENTS OF THE COLLEGE

(a) Aims, Objectives and Public Benefit

Founded in 1882 in memory of George Augustus Selwyn, Bishop successively of New Zealand and of Lichfield, as a place of education, religion, learning and research, the

College is an autonomous, self-governing community of scholars and one of 31 Colleges within the University of Cambridge. The community consists of the Master, 63 fellows and 735 junior members, of whom 393 are undergraduates and 342 are postgraduate students (including 32 clinical medical students).

The aims and objectives of the College are directed to delivering public benefit, in particular:

- The College aims to promote educational excellence at both undergraduate and postgraduate level and enable beneficiaries to fulfil their potential as part of both the College and the University of Cambridge;
- The College particularly aims to widen participation, increase diversity and facilitate access for those who would benefit from a Cambridge University education, but might face financial or other barriers to doing so without further support;
- The College aims to provide an environment conducive to maximising educational potential, through facilities including high quality accommodation, catering and library services on site;
- The College supports research which benefits the wider population of the UK and globally through innovation and new understanding that will improve prosperity, quality of life and environmental sustainability, amongst other benefits.

In undertaking their responsibilities as trustees of the charity, the members of the Governing Body endeavour to pay due regard to the Charity Commission guidance on public benefit by ensuring that their decisions support the College's aims and objectives.

The sections that follow set out how the College delivers these aims and objectives, as well as its achievements in respect of each, in more detail.

(b) Teaching

The College provides, in conjunction with the University of Cambridge, a research-informed education for undergraduate and graduate students which is recognised as being of the highest international standard. The University came second overall in the 2023 (but published in 2022) QS World University rankings, equal third in the Times Higher Education 2023 rankings and fourth in the 2022-23 Center for World University Rankings. In two of these (QS and Center for World University Rankings) it is the top rated university in the world outside the USA.

This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides teaching facilities and individual or small-group supervisions, as well as pastoral, administrative and academic support through its tutorial and other student support systems. It also provides social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

(c) Research

The College advances research through the support that it provides to the doctoral students who are members of the MCR. It also does so through the provision of Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post. It also supports the work of Postdoctoral researchers through the Trevelyan Research Associates scheme which is endorsed and supported by the University of Cambridge's Postdoc Academy.

In addition, the College supports research work pursued by its other Fellows through the availability of sabbatical leave for research, the promotion of interaction across disciplines, the provision of facilities and grants for national and international conferences, research trips and research materials. Post-Covid, it again encourages visits from outstanding academics from abroad, including the appointment of Visiting Fellows and Bye-Fellows and the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

(d) Academic excellence

In 2021-22, the College received 769 applications for undergraduate admission, the joint highest total ever (with 2019-20). The size of the field reflects the effort that the College has made in Widening Participation and Admissions activities in recent years. Whilst EU applications have, predictably, fallen, non-EU overseas applications remain healthy.

Postgraduate admissions are also in a very healthy state. The investment in Postgraduate Studentships is paying off handsomely and we are delighted that the number of matched funded MPhil and doctoral studentships is helping us to become more competitive in attracting the very best applicants to Selwyn as well as retaining high flyers.

Academic performance remains strong, despite the disruptions wrought by the pandemic. In 2022, in classed examinations, 27.8% of Selwyn's candidates obtained First Class results against a University average of 29.9%. 84.6% obtained Good Honours (upper second class or better) as against an average of 81.2% across the University. This meant that the College ranked second of 29 Colleges in terms of proportions achieving Good Honours results.

(e) Access and Widening Participation

The College aims to attract the best undergraduate applicants from the widest range of schools and colleges. The colleges and the University engage in substantial outreach activities to encourage all academically qualified students to apply for admission to Cambridge, whatever their backgrounds or financial circumstances. The University has committed under an Access and Participation Plan with the Office for Students ("OfS") to achieve the following in 2022-23 (i.e. from those students who applied in 2021-22):

- Increasing the proportion of UK resident students admitted from UK state sector schools and colleges to 66.1%;
- Increasing the proportion of UK students from the Participation Of Local Area ("POLAR") classification quintile 1 of 5.7%, and of quintiles 1 and 2 combined of 14.2%;
- A ratio of POLAR quintile 5 to POLAR quintile 1 of 9.0:1; and
- Increasing UK resident students from regional Indices of Multiple Deprivation ("IMD") quintiles 1 and 2 to 18.4%.

Selwyn has exceeded all of these targets with respect to 2021-22 applicants who gained places to start their courses in 2022-23:

- 80.0% of students accepted for entry in October 2022 from the maintained sector;

- 6.7% from POLAR quintile 1 and a POLAR quintile 1+2 figure of 23.3%;
- A ratio of 6.5:1 POLAR quintile 5 to 1 POLAR quintile 1; and
- An IMD quintiles 1 and 2 figure of 27.8 %.

The College participates enthusiastically in widening participation and aspiration-raising programmes in conjunction with the University. It also employs two full-time Schools Liaison Officers to reinforce these outreach efforts – one based in West Yorkshire and one based in Cambridge. Since 2000, by agreement with the University and the other colleges, Selwyn has targeted state-maintained 11-16 and 11-18 schools, Further Education and Sixth Form Colleges in West Yorkshire and East Berkshire. Over the 2021-22 year, the College spent £219k on access events, an increase of 55% over the pandemic-depressed 2020-21 figure of £141k.

(f) Financial and other support

Once admitted, students have access to several sources of financial aid. In 2021-22, a total of £345k was received by Selwyn students through the Cambridge Bursary Scheme, which is operated collectively with the University and other colleges (comparable to the £348k figure in 2021-22 and up from £305k in 2019-20). Under this Scheme, in 2021-22 students whose household income was below £25,000 received a grant of £3,500 per year in addition to any government loans. Those with incomes of up to £62,215 received a sliding scale of amounts tapering to £100. The College is delighted that the Cambridge Bursary Scheme was enhanced for new students starting courses from October 2021, including an additional £1,000 educational premium bursary for students who received free school meals whilst at secondary school. The College has been a strong supporter of the Cambridge Bursary Scheme throughout its development.

Around a quarter of all Selwyn undergraduates received some form of Bursary support over the year. In addition to the Cambridge Bursary Scheme, the College paid out £437k (up 48% compared with £296k in 2020-21 and double the figure of £218k in 2019-20). This financial support covers awards and scholarships (to support the purchase of books and equipment, attendance at conferences, and travel), studentships, and College-funded bursaries in cases of financial hardship.

Selwyn College's students continued to receive mental health support through the Dawson Fund, and it is the College's good fortune that a significant gift has allowed us greatly to increase the presence of the Nurse in recent years, culminating with the appointment of in early 2022 of a full-time all-year-round College Nurse & Welfare Officer.

(g) Facilities

The College remains committed to academic excellence and has invested in state-of-the-art teaching and student facilities. 2021-22 saw the first full year of operation of the new new £13m Bartlam Library and Quarry Whitehouse Auditorium. This marked the completion of Ann's Court and has been made possible through the exceptional generosity of alumnus Dr Christopher Dobson and his late wife, Ann, after whom the court is named. It is a testament to the new building that it is now difficult to imagine Ann's Court without it.

Following the completion of the Bartlam library, the Old Library was converted during 2021-22 to provide a new seminar room for students of Medicine and Veterinary Medicine, complete with a state of the art 'Anatomage' table, plus four further new teaching and seminar rooms. The old library is also the new home for Archives and Rare Books, and for the Alumni & Development team. This project was completed on time and on budget in February 2022, and has in turn enabled space vacated by archives and rare books above the Hall to provide a greatly expanded and enhanced area for the Director of Music, the choir and College musical activities generally.

The principal buildings project of 2021-22 has however been the low-carbon redevelopment of three postgraduate hostels – at 29 and 31 Grange Road, and the new property at 1 Selwyn Gardens which was purchased in 2021. The development involves the use of ground source heat pumps, interior wall insulation throughout, high-efficiency glazing in new windows and underfloor heating to maximise energy efficiency and minimise carbon emissions from these fine Victorian buildings.

Non-academic activities remain important too and details of the College's many sporting, musical and cultural successes are recorded in the College Calendar, the latest edition of which can be viewed at https://www.selwynalumni.com/publications.

4. FINANCIAL REPORT – INCOME AND EXPENDITURE

(a) Overall Position

The College's income and expenditure, as set out in the Statement of Comprehensive Income & Expenditure ("SOCI"), falls into four broad categories:

1. Wholly **unrestricted** income and expenditure.
2. Income and expenditure which are **restricted** to certain purposes, specified by the provider of the original funds.
3. Income and expenditure related to the **endowment**, where only the income arising from the principal sum is expendable, not the principal itself – but the use of the income is unrestricted
4. Income and expenditure related to the **endowment**, where only the income arising from the principal sum is expendable, not the principal itself – and where the use of the income is restricted to specified purposes.

This section of the report focuses principally on the first category – wholly unrestricted.

(i) Comprehensive Surplus/Deficit

In 2021-22, total unrestricted income and expenditure resulted in a **comprehensive surplus of £1.51m** (compared with a surplus of £0.82m in 2020-21) – an improvement of £0.69m. These figures are those shown as the 'total comprehensive income for the year' in the 'unrestricted' columns of the SOCI. It should be noted however that this improvement was entirely driven by two factors:

- An actuarial gain in pension fund provisions of £3.56m, compared with an actuarial gain in 2020-21 of £1.48m. This represents an improvement in the level of the gain of £2.08m compared with 2020-21;
- An offsetting reduction in the value of the unrestricted part of investment portfolio of £0.51m, compared with a gain of £0.89m in 2020-21 – a net deterioration of £1.40m between the two years.

(ii) Operating Surplus/Deficit

The operating surplus/deficit refers to income and expenditure relating to the day-to-day operations of the College.

Unrestricted operating income for the year totalled **£10.00m**, an increase of 28% on £7.79m in 2020-21 as income bounced back from the pandemic and donations increased. In particular:

- Income from academic fees and charges increased by 9% to £3.10m;
- Income from accommodation, catering and conferences increased by 59% to £4.46m;
- Unrestricted donations and legacies increased by 72% to £1.46m.

Unrestricted operating expenditure meanwhile totalled **£11.54m**, an increase of 24% on £9.33m in 2020-21. As a result, there was an **operating deficit of £1.53m** in 2021-22, virtually unchanged compared with the deficit of £1.54m in 2020-21.

A substantial part of the increase in expenditure also resulted from the recovery following the pandemic and represented costs that accompanied and enabled the increased income, e.g.

- Expenditure on education increased by 17% to £3.78m, a higher increase than the income due to a return to more normal levels of spend on access, widening participation and student support grants;
- Expenditure on accommodation, catering and conferences increased by 14% to £6.88m. However, this was a significantly lower figure than the 59% increase in income from the same sources.

It should also be noted that the increase in operating expenditure would have been lower, at 16% rather than 24%, if the adjustment included under 'other expenditure' for the shortfall in pension contributions actually made versus those deemed necessary, as calculated under FRS102 and included, is stripped out. This adjustment does not represent a real cash movement.

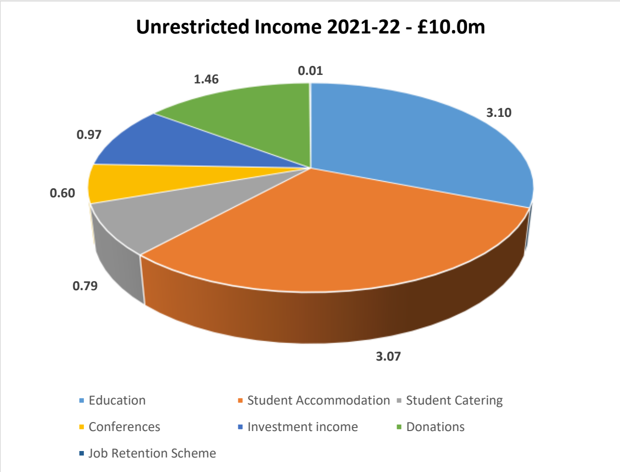
(iii) Cash Surplus/Deficit

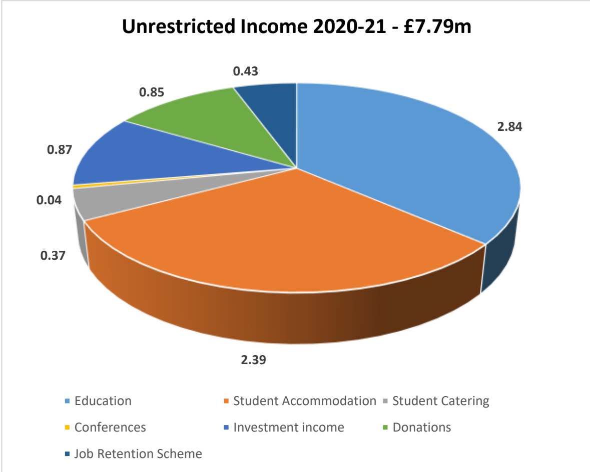
Incorporated within operating expenditure is depreciation, a non-cash item, amounting to £2.29m in 2020-21 (£1.98m in 2020-21). The increase in this figure in 2021-22 resulted from depreciation being charged for the first time in respect of the new library and auditorium building. In order to calculate the cash surplus or deficit, depreciation needs to be excluded. In 2021-22 the operating deficit of £1.53m was more than offset by £2.29m of depreciation, leaving a **cash surplus of £0.76m** (2020-21 – £0.44m). This figure compares favourably with the cash surplus envisaged in the original budget for the year of £0.15m.

Nevertheless, a key priority for the College finances will be to continue to make progress in restoring the cash surplus to pre-pandemic levels. This will rely principally on a full recovery in levels of conference and events business.

(b) Income in more detail

The College's activities are funded from academic tuition fees and the College fee for privately-funded undergraduates, charges for student accommodation and catering, income from conferences, returns on investments and income from donations and bequests. Total unrestricted income in 2021-22 amounted to **£10.00m**, an increase of £2.21m (28%) on the 2020-21 figure of £7.79m, driven by a recovery from pandemic levels of income and an increase in donations and legacies.





(i) Academic Fees and Charges

Unrestricted income from fees and charges rose by 9% to £3.1m, driven largely by increases in postgraduate student numbers, plus a small increase in overseas fee undergraduate students, offset by a reduction in home fee students.

Tuition Fees for 'home fee' undergraduates were charged at the maximum permitted rate of £9,250 for students matriculating in 2021-22. Tuition fees for most 'home fee' undergraduates are paid on behalf of the students through the Student Loans Company, although a small proportion pay the fees themselves directly. The colleges collect these fees and, under a negotiated fee agreement, pass half over to the University. Both the colleges and the University pay equal shares towards the Cambridge Bursary Scheme from the tuition fee income.

In 2021-22, fees from home fee status undergraduates amounted to £1.68m, slightly down on £1.70m in 2020-21. A further £0.58m was received from privately funded undergraduates, up 13% on £0.51m in 2020-21, and £0.84m from postgraduate students, up 34% on £0.62m in 2020-21. The colleges' share of the undergraduate tuition fees is substantially below the actual cost of education, which was estimated in 2018 as c.£11,000 per annum at a College level for an undergraduate (with a further £10,300 of University expenditure for a total cost of education over £21,000).

Education deficit

Including restricted income (£161k related to Cambridge Bursary income from the wider university), overall Education income totalled £3.26m in 2021-22. Given that overall expenditure (unrestricted and restricted) totalled £4.795m, the Education deficit increased to £1.53m in 2021-22, from £1.17m in 2020-21. Much of this resulted from a post-pandemic bounce back in spending on access and widening participation, but it also involved a more technical accounting increase in depreciation as a result of the opening of the Bartlam library.

(ii) Student Accommodation and Catering

Student accommodation and catering income increased significantly in 2021-22 as a result of being the first year since 2018-19 where students were again fully in residence. As a result, student accommodation income increased by 28% to £3.07m (from £2.39m in 2020-21) and student catering income increased by 114% to £0.79m (from £0.37m in 2020-21). A more instructive comparison however is with 2018-19, the last pre-pandemic year. Compared with that year, the total income across student accommodation and catering income is 11% higher (£3.86m vs. £3.46m in 2018-19).

When in residence, nearly all undergraduate members live in College accommodation as do a significant number of postgraduate students. The majority of the College's c.500 rooms are located on or adjacent to the main site on Grange Road and, following the £13m refurbishment of Cripps Court in 2012-14, two-thirds now have ensuite facilities. The College provides a wide range of student accommodation with varying charges depending on the facilities provided. A typical room rent in 2020-21 was around £151 per week for a standard room and £184 for an ensuite room. These remain substantially below the levels charged by private landlords in Cambridge and barely cover the economic cost to the College of providing the room. However, the College has nevertheless kept rent increases in recent years as low as possible and in 2021-22 the rent increase was just 2%, the joint lowest in 20 years. Regrettably, the subsequent increases in inflation and, in particular, energy costs, will make this impossible to sustain in the near term.

The College also offers a variety of catering services to members: snacks, brunches, cafeteria self-service meals and formal hall dinners. The College is recognised for the high quality of its offering and continues to hold a 5-star environmental health rating, the highest awarded by Cambridge City Council. In 2021-22, income from student catering rebounded strongly as a result of students being fully in residence all year round again, and the gradual removal of restrictions such as social distancing which reduced capacity. As noted above, student catering income more than doubled in 2021-22 compared with 2020-21.

(iii) Conferences and Events

The College has a long-term strategy of building its conference income to help offset the deficit on the education account, whilst at the same time ensuring that it does not become over-dependent on this source of income. The pandemic has shown how volatile conference income can be.

Following the nadir of just £35k income from conferences and events in 2020-21, income increased strongly in to 598k in 2021-22. However, this is still a significant distance below the pre-pandemic high of £1.28m recorded in 2019-20. The 2021-22 figure reflects conference market that was still depressed in July to September 2021, The UK was only gradually emerging from the Covid lockdown during the winter and spring preceding this period, when bookings for the coming summer season would normally have been made. There are encouraging indications that income will recover further in 2022-23 following a much busier summer in 2022, and the College's target is to match or surpass the 2019-20 income total by 2023-24.

(iv) Investment Income

2021-22 was the first year of operation of a 'total return accounting' approach to investment return. Total return involves the agreement of a spending policy, whereby a certain percentage of the value of the portfolio is allowed for operational expenditure, funded by actual investment income received plus a proportion of the expected growth in the capital. The College took a prudent approach to the spending rule, starting in 2021-22 with 3% of the average value of the portfolio over the previous five years, lagged by one year.

The actual income received on investments in 2021-22 was almost unchanged at £1.52m (vs. £1.53m in 2020-21), but the spending rule allows for expenditure a little higher than that, at £1.76m in 2021-22. This is based on the historic experience that over the long-term, the value of investments will grow, even if this does not occur in every individual year, as was the case in investment markets in 2021-22.

(v) Donations and bequests

The generosity of the College's alumni and supporters continues to play an important role in securing the scope, scale and quality of what the College is able to offer, exemplified in the funding of the new Bartlam Library and Quarry Whitehouse Auditorium entirely through donations, and subsequently significant generous contributions to the Old Library and Hostels redevelopment projects through the College's 140th anniversary appeal in 2022.

As well as capital projects such as this, the College is also grateful for donations received for student support, which allows both direct financial grants to students and also indirect support such as the Dawson fund for mental health mentioned previously. In 2021-22, unrestricted donations and legacies (excluding new endowments) amounted to £1.46m (up from £0.85m in 2020-21), while further donations with restricted purposes of £0.99m (up from £0.26m in 2020-21) were also received, including particularly generous donations funding the expansion of the College Nurse & Welfare Officer role and funding increased resources for widening participation. In addition, the College received £0.70m in new endowments, up from £0.64m in 2020-21. Capital project donations increased to £0.53m (from £0.25m last year) as a result of contributions to the Old Library and Hostels redevelopment projects.

A note on Fundraising

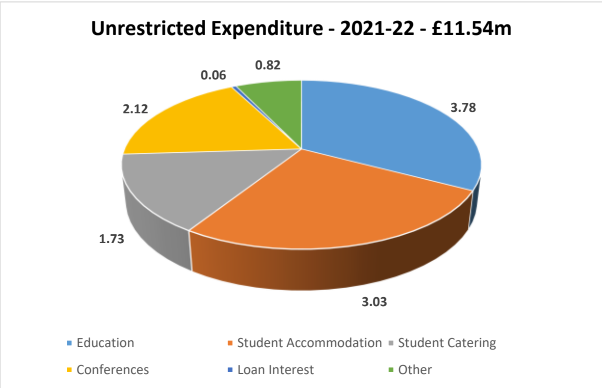
The College is registered with the Fundraising Regulator and the College subscribes to the Fundraising Regulator's code of practice. All fundraising activity meets current standards and is reviewed by the Development Committee, which is accountable to the College Council. The Council reviews the College's donations policy every three years, most recently in 2020. The College does not use third parties to assist in its fundraising, while students who participate in fundraising activity for the College receive formal training beforehand. The College received no complaints concerning fundraising activity in 2021-22.

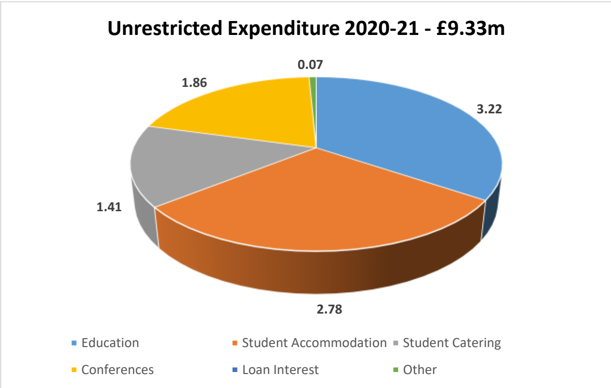
(vi) Job Retention Scheme grant

The College received a small number of final grants totalling £13k before the scheme was discontinued in September 2021 that fell into the 2021-22 financial year. However, this represented a significant reduction in income compared with 2020-21. Stripping out this one-off impact, the increase in unrestricted income in 2021-22 would have been £2.63m (36%), rather than £2.21m (28%).

(c) Expenditure in more detail

The College's expenditure relates almost entirely to the costs of providing educational, accommodation and catering services for its residents in both term time and the vacations. In 2021-22, total unrestricted expenditure amounted to £11.54m, which represented an increase of £2.21m (24%) on £9.33m in 2020-21. This is coincidentally identical to the increase in unrestricted income for the year. Much of this increased expenditure related to the increased activity that drove the 28% increase in unrestricted income. In addition, as referenced in section 4 (a) (ii), the increase in unrestricted expenditure would reduce to £1.46m (16%) if the £741k increase in 'other expenditure', which relates to accounting movements in pension fund deficits, were stripped out.





(i) Education

Unrestricted expenditure relating to education rose by 17% in 2021-22 to £3.78m, from £3.22m in 2020-21. This was principally accounted for by significantly higher spend on access and widening participation activity compared with the pandemic-depressed expenditure levels of the previous year, and also by the more technical driver of depreciation being charged for the first time on the Bartlam Library building to the education account.

Looking at Education expenditure as a whole (including unrestricted and restricted), expenditure increased by 16% from to £4.80m (compared with £4.15m in 2020-21). In addition to the increase in unrestricted expenditure, this also reflected significantly increased spending on student financial support (which is in the restricted category). In 2021-22, expenditure on student support totalled £782k (£345k on the Cambridge Bursary Scheme and £437k on other support), up 21% on £644k in 2020-21 and up 50% on £523k in 2019-20.

We are sanguine about the existence of a deficit on education, since this is a core purpose and charitable objective of the College, and an increase was expected this year as a result of post-pandemic increased expenditures on access and widening participation, and the opening of the College's new library. Nevertheless, at £1.53m in 2021-22 (up from £1.17m in 2020-21), we would not wish to see further material increases unless there were substantial improvements in other areas of the finances which could fund them.

(ii) Accommodation, Catering and Conferences

The cost of maintaining accommodation is allocated to the student accommodation budget in term time and to conferences & events in the vacations, when the College aims to occupy its rooms with conference guests. Following the low-point in pandemic conference income in 2020-21, there was a significant recovery in activity in 2021-22, which was also reflected in the need for increased expenditure related to looking after conference guests. However, conference expenditure increased by just £0.26m, compared with an increase of £0.56m in income.

Meanwhile, student catering costs rose by £0.33m (to £1.73m, from £1.41m in 2020-21) as activity levels increased as we emerged from the pandemic. However, as with conferences, the increase in expenditure was lower than the increase in income of £0.42m (to £0.79m, from £0.37m in 2020-21).

It should be noted that in the cases of both accommodation and catering, a significant proportion of these costs relate to staff, however a large number of the relevant staff were 'furloughed' under the Job Retention Scheme in 2020-21. However, the grants received by the College to help fund staff on furlough are shown separately as income, which means that the expenditure figures across the two years are comparable.

(iii) Staff Costs and Pensions

Staff costs are contained within the overall Education, Accommodation, Catering and Conferences expenditure lines, but are detailed in Note 8 of the Accounts. Staff costs amounted to £5.52m in total (including national insurance and pensions) in 2021-22, vs. £5.18m in 2020-21, an increase of 6.5%. This was driven in large measure by substantial increases in employer contributions to both the academic and non-academic staff pension schemes ("USS" and "CCFPS" respectively), and in the last quarter of the financial year by a 1.25% increase in employer national insurance contributions.

Remuneration paid to Fellows, who are also trustees of the charity, related solely to their capacity as officers of the College or in respect of teaching. The trustees receive no remuneration in their role as trustees of the charity.

(iv) Colleges Fund

The Colleges Fund, which is funded through an intercollegiate taxation system, makes grants to colleges with insufficient endowments. Grants made to Selwyn between 1998 and 2016 exceeded £3.1m. However, the College is now considered to have made sufficient financial progress that it longer qualifies for such assistance and has begun making modest contributions to the Fund. This amounted to £2k in 2021-22 (£9k in 2020-21).

5. FINANCIAL REPORT – BALANCE SHEET

(a) Overall Position

The total net assets of the College reduced marginally as at 30 June 2022 by £1.7m (a reduction of 1.25%) to **£134.1m**, compared with £135.8m as at 30 June 2021.

(b) Assets (net of current liabilities)

As at 30 June 2022, the balance sheet was made up of £72.3m in fixed assets (a mix of land & property and equipment), £67.8m in investments and £3.6m of net current assets, giving total assets (net of current liabilities) of **£143.7m**.

As with income & expenditure, the College's assets are divided into four categories:

1. Wholly **unrestricted** assets, i.e. they may be deployed for any purpose.
2. Assets for which the use is **restricted** to certain purposes, specified by the provider of the original capital.
3. **Endowment** assets where the use of the income is unrestricted.
4. **Endowment** assets where the use of the income is restricted to specified purposes.

As at 30 June 2022, the College's assets (net of current liabilities), in terms of these categories, were as follows:

	UNRESTRICTED	RESTRICTED
ENDOWMENT	**£25.1m** Investments *(capital for unrestricted endowment)*	**£30.5m** Investments *(capital for restricted endowment)*
GENERAL	**£84.2m** Fixed Assets – **£72.3m** Unrestricted Investments – **£8.3m** Net Current Assets – **£3.6m**	**£3.9m** Investments *(restricted reserves)*

Although £84.2m of assets (net of current liabilities) were unrestricted, in practice the majority of these – £72.3m – were represented by relatively illiquid fixed assets. £66.7m of this was in land and buildings, which at Selwyn are used to house students rather than as investments, and so would have a significant operational impact on the College if sold.

The other £59.5m of assets were restricted in their use in some way. These are all included in the investment portfolio and were made up of:

- £30.5m of endowment assets, where only the income generated by the assets may be spent and where the use of the income is also restricted to certain purposes.
- £25.1m of endowment assets, where again only the income generated by the assets may be spent, but where the use of such income is unrestricted.
- £3.9m of assets where the principal may be spent, but where the use is restricted to certain purposes.

(i) Fixed Assets – Buildings, Estates and Equipment

The year 2020-21 saw additions to the College's land and buildings of £3.8m at cost. This was divided between the cost of the redevelopment of the Old Library and the partial cost of the Hostels redevelopment project (the part that fell within financial year 2021-22). As a result, even after depreciation, the value of land and buildings in the balance sheet increased by £2.0m (3%) to £66.7m.

Expenditure of approximately £0.6m on fixtures, fittings and equipment was matched by a depreciation charge of the same amount, leaving the total value of equipment after depreciation largely unchanged at £5.67m

Maintaining its listed and historic buildings, as well as more recently completed constructions, is one of the College's major costs, with an annual depreciation charge in 2021-22 of £2.29m (£1.98m in 2020-21) set aside to cover their upkeep and renewal or replacement. The increase in the depreciation charge compared with the previous year arises from 2021-22 being the first year in which depreciation charges in respect of the Bartlam Library and Quarry Whitehouse Auditorium apply.

(ii) Investments

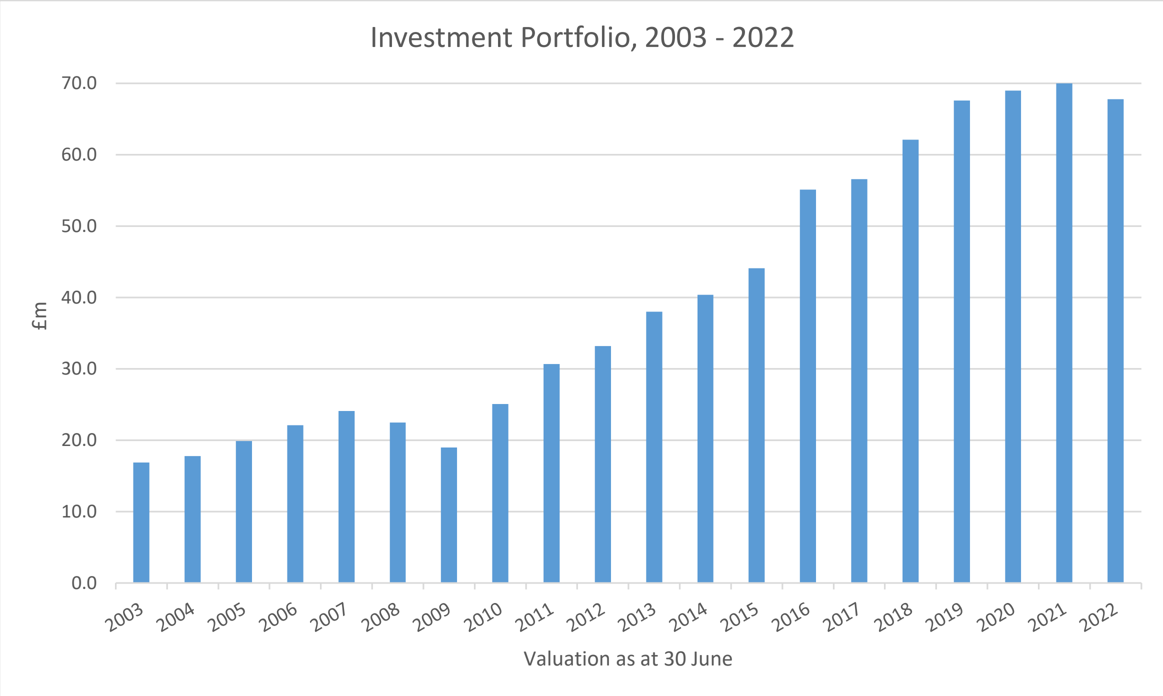
The College's investments are overseen and directed by the Investment Committee, which has benefited from the expertise of three independent members drawn from the investment industry. The College's investment strategy has adopted a medium risk approach which delivers steady growth in the value of investments over time and is well diversified in terms of holdings, sectors and geography. Recently this has been underpinned by a move away from individual securities towards investment in funds to manage risk, including a holding in CUEF, the University-managed fund.

The College has taken an active approach to responsible investment, having previously divested all direct fossil fuel, tobacco and armaments holdings. This focus on responsible investment was reinforced during the year by the College's move to exclude all material investments in fossil fuels, including in funds, with effect from the end of 2021.

As referenced in section 4 (b) (iv), with effect from July 2021, the College moved to a total return accounting approach to investment income, which will give the Investment Committee more freedom in investing in stocks for growth and not just for income.

Following a strong performance in the previous financial year, 2021-22 was a difficult year for the College's investments, in line with the challenges seen in global markets. This has been especially true since the start of calendar year 2022. For only the second time in 20 years (the other being 2009, during the global financial crisis), the portfolio reduced in value during the year. The portfolio totalled **£67.8m** at 30 June 2022, compared to £70.4m in June 2021, a reduction of £2.6m. However, the underlying reduction is higher than this given that additions to the portfolio, net of fees, totalled approximately £3m. These additions originated in the balance of funds from a £6m loan drawn down in January 2022, which will be used to make payments in respect of planned building developments.

Nevertheless, over the long-term, the College's investment portfolio has maintained a consistent upward trajectory, as is shown in the graph below. However, in a year which has seen very substantial falls in most major global indices, it is inevitable that the College's portfolio will experience some of these losses as well.



Nevertheless, the portfolio continues to perform well against its chosen benchmarks. The total return on the main portfolio (excluding CUEF investments) amounted to -6.3% over the 12 months to 30 June 2022 (compared with +15.9% the previous year). This represented a slight underperformance relative to the portfolio's principal benchmark ARC Charities Steady Growth Index, which returned -5.8%.

However, the College's total return for the last three, five and ten years respectively has continued to outperform the benchmark index:

- Over 3 years, the portfolio has returned +5.2%, compared with +2.3% from ARC Steady Growth;
- Over 5 years, the portfolio has returned +5.1%, compared with +3.1% from ARC Steady Growth;
- Over 10 years, the portfolio has returned +7.3%, compared with +6.1% from ARC Steady Growth.

(c) Liabilities

The College's long-term liabilities as at 30 June 2022 totalled **£9.6m**, made up of £3.6m in pension fund provisions and a 5-year interest-only fixed-rate loan of £6m. The loan was taken out in January 2022 to support the funding of the old library, hostels redevelopment and music rooms projects. Deducting these long-term liabilities of £9.6m from the College's assets (net of current liabilities) of £143.7m, results in total net assets of £134.1m.

Under FRS102 the College is required to disclose all its pension liabilities on the balance sheet. As set out in Note 16, the total liability has this year reduced by £2.53m to £3.56m.

The improvement arises from a £3.23m improvement in the deficit relating to the Cambridge Colleges Federated Pension Scheme (CCFPS). However, this is offset by an increase of £0.69m in the deficit relating to the Universities Superannuation Scheme (USS), which represents the effects of the post-balance sheet non-adjusting event in respect of USS which was described in last year's accounts with the expectation of an adverse effect on 2021-22.

In order to manage pension fund deficit liabilities over the long term with respect to the non-academic staff defined benefit pension scheme (CCFPS) more effectively, the College closed the scheme to new joiners with effect from 1 January 2022. Selwyn was one of the last Cambridge Colleges to take this step. In its place is a defined contribution scheme provided by Aviva, which is now offered to new employees. A generous level of employer contributions is offered, supported by insured death in service and ill health early retirement benefits provided by AIG. At the same time, the College also closed its previous NEST scheme for further contributions.

(d) Free Reserves and Reserves Policy

The College Council has approved a Reserves Policy that provides for regular testing of the financial resilience of the College and its ability to cope with a period of sustained adverse conditions. The Covid pandemic has reminded us that such scenarios are not necessarily theoretical only.

The College's policy requires there to be accessible reserves which would allow it to cover 80% of operational expenditure (excluding depreciation) for a period of three years. This would in fact be a more serious financial scenario than even Covid has presented. Ideally, this would be in the form of free reserves, but other options include commercial loans secured against land and property and/or an internal accounting 'loan' against the unrestricted endowment. Taken together these would provide reserve coverage of multiples of the requirement. Over the medium-to-long term the policy envisages increasing free reserves, but trustees will need to have due regard to ensuring that this does not compromise the College's charitable objectives. The policy is reviewed annually.

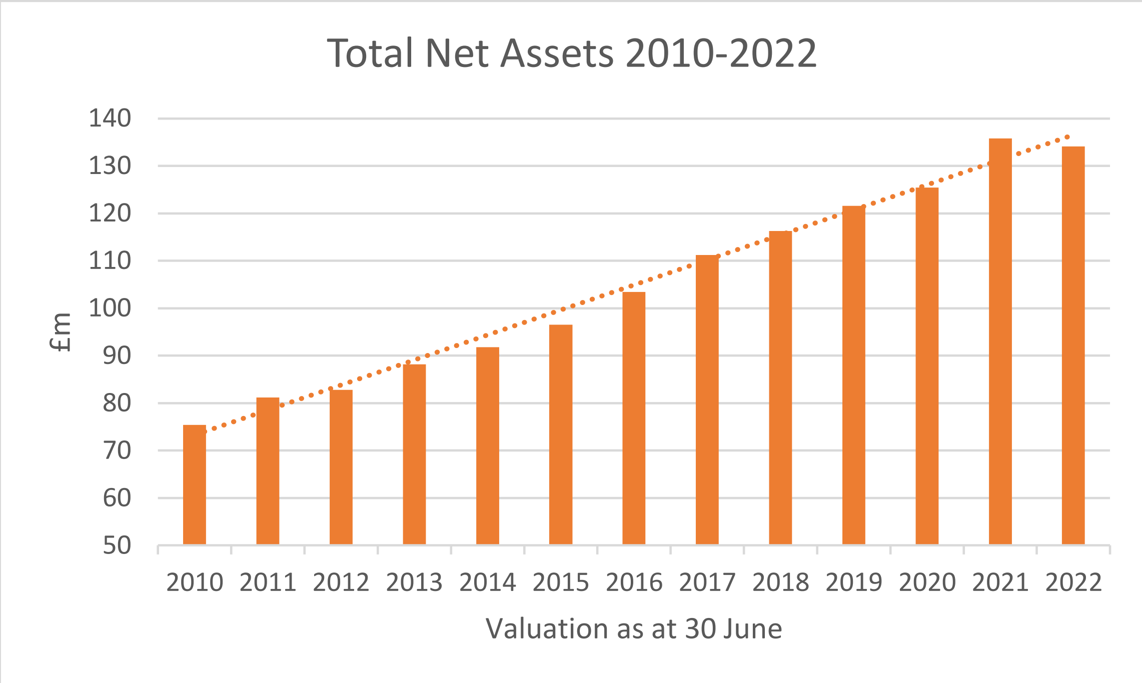
The level of completely free reserves at 30 June 2022 was virtually unchanged compared with the previous year at £2.29m (30 June 2021 - £2.37m). However, it would be reasonable also to consider the position if pension deficit liabilities (which are extremely unlikely to ever require payment on demand) are disregarded. On that basis, effectively free reserves would be £5.86m at 30 June 2022.

(f) Going Concern

The College is obliged to consider whether it is in a position to operate for at least 12 months following the signing of its accounts, in order to establish that it can be audited on a going concern basis. Selwyn has adopted a cautious approach to its finances over many years, has increased its reserves over time and limited its exposure to debt, which leaves it able to withstand the short-term impact of an event such as the pandemic for at least 12 months, and in practice, for longer. The College therefore considers that it is indeed in a position to operate as a going concern for at least 12 months following the signing of its accounts. The auditors have commented separately on the College's going concern status.

(g) Long term development of Total Net Assets

Whilst the major correction seen in investment markets since the start of calendar year has had a negative impact in 2021-22, over the long term the College has continued to grow its total net assets on a consistent basis since the global financial crisis, as shown by the graph below. Indeed, in 2021-22, setting aside investments, other net assets of the College continued to increase in value.



6. RISKS AND UNCERTAINTIES

The College maintains a risk register, which is sub-divided into red, amber, yellow and green risks according to a matrix of probability and impact. The headline risks (red and amber) are reviewed termly by the College Council including any actions and timescales required, and the yellow risks are reviewed by the Council mid-way between annual reviews. The full risk register is reviewed annually by the Governing Body. The current risk register identifies 13 headline risks, out of a total of 56 documented.

Two red risks were identified – a revived Covid threat and/or another medical emergency (subsequently downgraded to Amber since the end of the financial year) and the risk of higher or unsustainable budget deficits, especially given the increasingly inflationary environment whilst Home tuition fees remain frozen. Other financial risks (a change in the tuition fee regime, and increased pension deficits); IT risks (cyber-crime attack, a significant data breach, and a major IT operational outage); the risk to provision of core services arising from the increasing challenges in the non-academic staff labour markets, and the risks inherent in a failure to adopt an environmentally sustainable approach across the College's operations and estates also all feature in the headline risks.

With respect to financial risks, the risk of a change in the tuition fee regime which reduces financial resources would potentially threaten the world-class education that the College provides, while it remains to be seen that the College can fully recover its operational budget position post-pandemic, particularly with respect to Conference income, notwithstanding significant progress made in 2021-22. The improvement in pension scheme provisions this year is welcome but we are aware that market volatility could result in further worsening in the future.

With respect to IT risks, the College continues to focus through its IT and Compliance committees on mitigating the risks as far as possible but the experience of even the largest organisations shows that complete elimination of risk in this area cannot be fully achieved.

With respect to sustainability, the College has a Sustainability working group and this year has taken a major step forward in making a low-carbon development the cornerstone of the approach to redeveloping three large student accommodation hostels in Grange Road and Selwyn Gardens.

Meanwhile, Cambridge is not immune from the effects of both the legacy of Covid and the current wider geopolitical situation and its implications for the economy, inflation and interest rates. In addition, recent changes to labour markets and global supply chains look as if they may not be entirely temporary in nature, and the College will need to continue to navigate these changes as they evolve, whatever they may be. Finally, whilst perhaps not front and centre currently, it seems likely that the continuing implications of Brexit still remain to be fully played out.

7. CONCLUSION AND OUTLOOK FOR THE FUTURE

2021-22 was a year of transition, but not, as we might have hoped, a simple, if gradual, return to pre-pandemic certainties. Instead, it seems we are all transitioning to a different set of challenges. Some of these arise out of the legacy of the pandemic itself and the different perspective it has brought to many people, who have identified some of those previous certainties as ways of living to which they do not now wish to return. Others arise out of the post-pandemic economic situation, which was always going to be challenging to manage given the extraordinarily loose fiscal and monetary conditions it forced on governments and central banks alike. By the autumn of 2021, inflation was already a concern, but the Russian invasion of Ukraine in February 2022 significantly exacerbated the economic and social issues arising from further disruptions to supply chains and unprecedented increases in energy prices, driving inflation rates not seen in 40 years and a major cost of living crisis.

These global factors continue to affect the College in all kinds of ways, but financially the essence of the challenge is that it puts significant upward pressure on the costs of an organisation which has only a limited ability to increase its income.

That all said, there is much to welcome in the financial results for 2021-22 and what they demonstrate about future prospects. A tangible financial recovery from the Covid years is now clearly observable, with activity levels up significantly in both core student services provision and conference business. The College has managed the delivery of this extra activity at an additional cost that is lower than the additional income that has resulted, reducing deficits in these areas. The cash surplus increased in 2021-22 compared with 2020-21, and since the financial year end, conference business levels have continued to increase into the 2022-23 year now underway.

As mentioned last year, the College did not allow Covid to distract from its long-term objectives, and has delivered on plans set out at that time to build on the completion of the Bartlam Library and Quarry Whitehouse Auditorium by transforming the Old Library into a number of new seminar rooms, including one dedicated to Medicine and Veterinary Medicine, a climate-controlled base for archives and rare books, and a new home for the Alumni and Development team. The low-carbon and degasified development of three large Victorian houses used as student accommodation 'hostels' is nearing completion, and as well as the environmental benefits, will increase both the quantity and quality of postgraduate accommodation. Significantly enhanced space for the choir and music facilities in the previous home of archives and rare books has also been delivered this year.

In the longer term, over the next 10 or more years, the outputs of the sustainability strategy are expected to assume a higher profile in the College's priorities. The largest challenge, but also with the largest prize, is the decarbonisation of College operations as far as possible, with degasification of College heating the largest component of that.

In the immediate future, dealing with the impacts of wider national and international economic headwinds, as well as the impacts of supply chain disruptions and challenging labour markets to deliver core services – and to do all that while continuing the financial recovery from the Covid years – will be the top priority.

Despite all these challenges, there remains much to be positive about. Cambridge University remains a global academic and educational powerhouse and the collegiate system remains a source of strength within it. Selwyn College has an enviable location within the City and University and benefits from a dedicated staff and a positive, supportive and collaborative culture. Although the necessity of moving online through the pandemic delivered some unexpected benefits, the pandemic also demonstrated the enduring power and value of in-person, personal, teaching and learning in a community setting which facilitates the interplay of ideas, sharing of knowledge and opinions, and respectful challenge and debate.

Finally, on a personal note, as this will be the last annual report and accounts I present as Bursar before retiring, I would like to take this opportunity to thank all the staff, students and Fellows with whom I have had the good fortune to work, and who collectively deliver those results and achievements I have set out in the report above.

Martin Pierce
Bursar

15 November 2022

Statement of Corporate Governance

The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

The College is a registered charity (registered number 1137517) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

The Governing Body is advised in carrying out its duties by a number of Committees. Foremost amongst these is the College Council, which meets a minimum of eleven times per year and carries delegated authority from the Governing Body under the Statutes of the College. The majority of Committees report to the College Council, which in turn reports to the Governing Body.

The principal officers of the College in 2021-22, all of whom were Trustees and ex-officio members of the Council, were:

The Master:	Mr Roger Mosey
The Vice Master:	Dr Janet A O'Sullivan
The Bursar:	Mr Martin D Pierce
The Senior Tutor:	Dr Michael J Sewell

It is the duty of the College Council to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make an annual report to the Governing Body. Membership of the Council includes the principal officers of the College ex-officio, plus 8 further Trustees elected periodically by the Governing Body and 3 junior members of the College who are also Trustees and members of the Governing Body.

There are Registers of Interests of Members of the Governing Body and by extension Council and its Committees on which Trustees sit, and of the senior administrative officers. Declarations of interest are made systematically at each meeting of Governing Body, Council and Committees.

The Members of the Governing Body during the year ended 30 June 2022 are set out on page 3.

Statement of Internal Control

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

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. A review of major risks takes place each term at Council, and the complete risk register is reviewed in full annually by both the Council and the Governing Body. This process was in place for the year ended 30 June 2022 and up to the date of approval of the financial statements.

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

- The setting of detailed budgets with clearly defined levels of authority for expenditure;
- Regular scrutiny of detailed financial performance data, including comparison with budgets;
- Annual comparison and benchmarking of financial performance and key indices with the other colleges.

The Council reviews in detail and recommends approval to the Governing Body:

- The annual Budget in advance of the start of the financial year;
- Periodic in-year reviews of financial performance against budget;
- The year-end accounts and audit.

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

Statement of Responsibilities of the Governing Body

The Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

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

Independent Auditors' Report to the Governing Body of Selwyn College
Year Ended 30 June 2022

Opinion

We have audited the financial statements of Selwyn 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 Operating and Financial Review.

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

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

Responsibilities of Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 26, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 22 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 all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 7a.

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

All items dealt with in arriving at the surplus for 2022 and 2021 relate to continuing operations.

Basis of accounting

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

Recognition of income

a. Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

b. Restricted grant income

Grants received 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.

c. 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, the amount is measurable and receipt is probable. 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.

d. Investment income and change in value of investment assets

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

Total return

The College operates a total return policy with regard to its endowment assets. Spendable income equivalent to 3% of the average endowment for the last five years, lagged by one year, is included as endowment income. Investment management costs are charged against income.

e. Other income

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

f. 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 £184k (2021: £203k) is shown within the Statement of Comprehensive Income and Expenditure as follows:

	2022	**2021**
	£000	**£000**
Restricted income from Academic fees and charges (note 1)	161	145
Restricted expenditure on Education (note 4)	345	348
	£184	**£203**

Fixed assets

a. Land and buildings

The operational buildings held by the College on 1 July 2002 have been brought into the accounts at depreciated replacement cost based on a valuation carried out by Davis Langdon LLP, Chartered Surveyors. Subsequent additions and improvements to the College's buildings are accounted for at cost. Freehold buildings are depreciated on a straight-line basis over their expected useful economic life of 50 years. Freehold land is not depreciated. Leasehold buildings are amortised over 50 years, or, if shorter, the period of the lease.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to 30 June 2022. They are not depreciated until they are brought into use.

No value has been placed on the land occupied by the College's operational buildings as at 1 July 2002; purchases of land after this date are to be capitalised.

b. Maintenance of premises

The College has a five-year rolling maintenance plan that is reviewed on an annual basis. The cost of routine maintenance is charged to the Statement of Income and Expenditure as it is incurred.

c. Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £100 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful lives as follows:

Furniture and fittings	15 years
Motor vehicles	10 years
General equipment	5-20 years
Computer equipment	4 years
Library books	20 years
Musical instruments	50 years

No depreciation is charged in the year of acquisition.

d. Heritage assets

The College holds a collection of rare books which is not recognised in the Balance Sheet. This collection has arisen through donations and largely comprises works on theology. Few of the books are scarce or in first editions and the subject area is unfashionable. It would be difficult and expensive to replace the collection but equally the possibility of finding a specialist buyer could not be guaranteed, therefore to attribute any value to these books would be unrealistic.

The College employs a professional archivist whose responsibilities include the care and maintenance of the rare book collection. The exposure of the collection to heat and light is strictly controlled.

The College also holds a number of paintings and drawings but the majority of these are portraits of members and benefactors of the College. As such, this collection pertains to the history of the College and has little external market value.

e. Leased assets
The College does not hold any fixed assets under finance leases.

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.

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

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

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

Financial assets
Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction,

where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

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

Financial Liabilities

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

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

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the College enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The College does not apply any hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

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

Foreign currencies

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

Taxation

The College is a registered charity (number 1137517) 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

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

The College also participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the Scheme are held in a separate trustee administered fund. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the schemes. 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 charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The College also offers membership of a defined contribution pension scheme to its non-academic employees and the pension charge represents the amounts payable by the College to the scheme in respect of the employees' service during the year. Up until 31st December 2021 the scheme offered was NEST, thereafter it was a scheme with Aviva, with insured benefits funded by the College via a policy with AIG.

Employment benefits

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

Reserves

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

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

Critical Accounting Estimates and Judgements

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 9.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 20.

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control, typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 20.

Statement of Comprehensive Income and Expenditure

Year ended 30 June 2022

Income	Note	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000
Academic fees and charges	1	3,100	161	-	3,261	2,839	145	-	2,984
Accommodation, catering and conferences	2	4,458	-	-	4,458	2,798	-	-	2,798
Investment income	3	3	-	1,521	1,524	-	-	1,529	1,529
Endowment return transferred	3	965	801	(1,766)	-	872	657	(1,529)	-
Job Retention Scheme Grant		13	-	-	13	431	-	-	431
Total income before donations and endowments		8,539	962	(245)	9,256	6,940	802	-	7,742
Donations		1,464	985	-	2,449	853	263	-	1,116
New endowments		-	-	702	702	-	-	642	642
Other capital grants for assets		-	531	-	531	-	256	-	256
Total income		10,003	2,478	457	12,938	7,793	1,321	642	9,756
Expenditure									
Education	4	3,776	1,019	-	4,795	3,217	933	-	4,150
Accommodation, catering and conferences	5	6,882	-	-	6,882	6,040	-	-	6,040
Interest payments		64	-	-	64	-	-	-	-
Other expenditure	6	815	-	-	815	74	-	-	74
Total expenditure	7	11,537	1,019	-	12,556	9,331	933	-	10,264
Surplus/(deficit) before other gains and losses		(1,534)	1,459	457	382	(1,538)	388	642	(508)
Gain on disposal of fixed assets	9	-	-	-	-	1	-	-	1
(Loss)/gain on investments	10	(509)	(254)	(4,872)	(5,635)	888	327	8,210	9,425
(Deficit)/Surplus before Statute G, II contribution		(2,043)	1,205	(4,415)	(5,253)	(649)	715	8,852	8,918
Contribution under Statute G, II		(2)	-	-	(2)	(9)	-	-	(9)
(Deficit)/surplus after Statute G, II contribution being (deficit)/surplus for the year		(2,045)	1,205	(4,415)	(5,255)	(658)	715	8,852	8,909
Other comprehensive income									
Actuarial gain in respect of pension schemes	16	3,555	-	-	3,555	1,478	-	-	1,478
Total comprehensive income for the year		**£1,510**	**£1,205**	**£(4,415)**	**£(1,700)**	**£820**	**£715**	**£8,852**	**£10,387**

The notes on pages 43 to 60 form part of these accounts.

Statement of Changes in Reserves

Year ended 30 June 2022

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£000	£000	£000	£000
Balance at 1 July 2021	72,571	3,229	60,010	135,810
(Deficit)/surplus from income and expenditure statement	(2,045)	1,205	(4,415)	(5,255)
Other comprehensive income	3,555	-	-	3,555
Release of restricted capital funds spent in the year	531	(531)	-	-
Balance at 30 June 2022	**£74,612**	**£3,903**	**£55,595**	**£134,110**

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£000	£000	£000	£000
Balance at 1 July 2020	69,228	5,037	51,158	125,423
Surplus/(deficit) from income and expenditure statement	(658)	715	8,852	8,909
Other comprehensive income	1,478	-	-	1,478
Release of restricted capital funds spent in the year	2,523	(2,523)	-	-
Balance at 30 June 2021	**£72,571**	**£3,229**	**£60,010**	**£135,810**

The notes on pages 43 to 60 form part of these accounts.

Balance Sheet as at 30 June 2022

	Note	30 June 2022 £000	30 June 2021 £000
Non-current assets			
Fixed assets	9	72,319	70,201
Investments	10	67,796	70,403
Total non-current assets		140,115	140,604
Current assets			
Stocks	11	242	262
Trade and other receivables	12	1,739	923
Cash and cash equivalents	13	3,527	2,021
Total current assets		5,508	3,206
Creditors: amounts falling due within one year	14	(1,952)	(1,907)
Net current assets/(liabilities)		3,556	1,299
Total assets less current liabilities		143,671	141,903
Creditors: amounts falling due after more than one year	15	(6,000)	-
Provisions			
Pension provisions	16	(3,561)	(6,093)
Total net assets		**£ 134,110**	£ 135,810

	Note	30 June 2022 £000	30 June 2021 £000
Restricted reserves			
Income and expenditure reserve – endowment reserve	17	55,595	60,010
Income and expenditure reserve – restricted reserve	18	3,903	3,229
		59,498	63,239
Unrestricted reserves			
Income and expenditure reserve – unrestricted		74,612	72,571
Total Reserves		**£ 134,110**	£ 135,810

Approved by the Governing Body on 15 November 2022 and signed on their behalf by:

Martin Pierce
Bursar

The notes on pages 43 to 60 form part of these accounts.

Cash Flow Statement for the year ended 30 June 2022

	Note	**2022 £000**	2021 £000
Reconciliation of surplus for the year to net cash flows from operating activities			
(Deficit)/Surplus for the year		(5,255)	8,909
Adjustment for non-cash items			
Depreciation	9	2,294	1,976
Loss/(Gain) on endowments and donations	18	5,635	(9,426)
Decrease in stocks	11	20	8
Increase in trade and other receivables	12	(816)	(728)
Increase/(Decrease) in creditors excluding loans	14	45	(539)
Pension costs less contributions payable	16	1,024	374
Adjustment for investing or financing activities			
Investment income	3	(1,521)	(1,529)
Interest payable		64	-
Gain on sale of non-current assets	9	-	(1)
Net cash inflow/(outflow) from operating activities		**1,490**	(956)
Cash flows from investing activities			
Investment income		1,521	1,529
Proceeds from sales of non-current fixed assets		-	6
(Purchases)/Sales of investment assets		(3,028)	8,019
Payments to acquire non-current assets	9	(4,413)	(8,740)
Total cash inflow from investing activities		**(5,920)**	814
Cash flows from financing activities			
Interest paid		(64)	-
Long term loans received	15	6,000	-
Net cash inflow from financing activities		**5,936**	-
Increase/(Decrease) in cash and cash equivalents in the year		**1,506**	(142)
Cash and cash equivalents at beginning of the year		2,021	2,163
Cash and cash equivalents at end of the year	13 **£**	**3,527**	£ 2,021

The notes on pages 43 to 60 form part of these accounts.

Notes to the Accounts for the year ended 30 June 2022

1 ACADEMIC FEES AND CHARGES

	2022	2021
College fees:	**£000**	£000
Fee income received at the Regulated Undergraduate rate	1,685	1,703
Fee income received at the Unregulated Undergraduate rate	579	511
Fee income received at the Graduate rate	836	625
From the University of Cambridge and Trinity College for Cambridge Bursaries	161	145
	£3,261	£2,984

2 INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

		2022	2021
		£000	£000
Accommodation:	College members	3,067	2,393
	Conferences	318	19
Catering:	College members	793	370
	Conferences	280	16
		£4,458	£2,798

3 ENDOWMENT RETURN AND INVESTMENT INCOME

	2022	2021
	£000	£000
(a) Analysis of Investment Income		
Total return contribution	1,766	1,529
Cash	3	-
	£1,769	£1,529
(b) Summary of total return		
Income from:		
Quoted securities:		
- equities	1,346	1,273
- fixed interest	174	255
- cash	1	-
	1,521	1,529
(Losses)/gains on endowment assets	(4,872)	8,210
Total return for year	(3,351)	9,739
Total return transferred to income and expenditure (note (a))	(1,766)	(1,529)
Unapplied total return for year included within SOCI	£(5,117)	£8,210

Memorandum of Unapplied Total Return

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

	2022	2021
	£000	£000
Unapplied Total Return at beginning of year	13,567	5,357
Unapplied Total Return for the year	(5,117)	8,210
Unapplied Total Return at end of year	£8,450	£13,567

Investment Management fees paid to JM Finn were £120,125 (2021: £118,601) and are included in Other Operating Expenses (Note 7a).

Notes to the Accounts for the year ended 30 June 2022

4 EDUCATION EXPENDITURE

	2022 £000	2021 £000
Teaching	2,634	2,302
Tutorial	539	466
Admissions	278	263
Access	219	141
Research	143	146
Scholarships and awards	437	296
Cambridge Bursaries	345	348
Other educational facilities	200	188
Total	£4,795	£4,150

5 ACCOMMODATION, CATERING AND CONFERENCE EXPENDITURE

		2022 £000	2021 £000
Accommodation	- College members	3,032	2,777
	- Conferences	1,347	1,234
Catering	- College members	1,733	1,405
	- Conferences	770	624
Total		£6,882	£6,040

6 OTHER EXPENDITURE

	2022 £000	2021 £000
Net return on pension scheme assets less liabilities	815	74
	£815	£74

7a ANALYSIS OF 2021-22 EXPENDITURE BY ACTIVITY

	Staff costs (note 8) £000	**Other Operating Expenses £000**	**Depreciation £000**	Total £000
Education (note 4)	2,254	2,125	416	4,795
Accommodation, catering and conferences (note 5)	3,264	1,740	1,878	6,882
Interest payments	-	64	-	64
Other expenditure (note 6)	-	815	-	815
	£5,518	£4,744	£2,294	£12,556

Other Operating Expenses includes £282,596 as costs of fundraising (2021: £215,676) and £210,489 as costs of alumni relations (2021: £159,767).

7b ANALYSIS OF 2020-21 EXPENDITURE BY ACTIVITY

	Staff costs (note 8) £000	**Other Operating Expenses £000**	**Depreciation £000**	Total £000
Education (note 4)	2,120	1,690	340	4,150
Accommodation, catering and conferences (note 5)	3,058	1,346	1,636	6,040
Other expenditure (note 6)	-	74	-	74
	£5,178	£3,110	£1,976	£10,264

Notes to the Accounts for the year ended 30 June 2022

7c AUDITORS' REMUNERATION

	2022	2021
Other operating expenses include:	£000	£000
Audit fees payable to the College's external auditors	17	16
Other fees payable to the College's external auditors	-	-
	£17	£16

8 STAFF

	Academic £000	Non-academic £000	2022 Total £000	2021 Total £000
Staff costs:				
Salaries	1,013	3,097	4,110	3,802
National Insurance	85	231	316	292
Pension costs (see note 22)	171	921	1,092	1,084
	£1,269	£4,249	£5,518	£5,178

	Average staff numbers 2022			Average staff numbers 2021		
	Number of Fellows	Full-time equivalents	2021 Total	Number of Fellows	Full-time equivalents	2020 Total
Academic	57		57	61		61
Non-academic	2	105	107	2	105	107
	59	105	164	63	105	168

At 30 June 2022 there were 64 Members of the Governing Body. During the year the average number receiving a stipend from the College was 59 as shown above.

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

From	To	2022 Total	2021 Total
£100,001	£110,000	3	1
£110,001	£120,000	1	2

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.

During the year, remuneration paid to Trustees in their capacity as College Officers was: £1,336,436 (64 Trustees) (2021: £1,288,324 (63 Trustees)). The trustees receive no remuneration in their role as trustees of the charity.

Notes to the Accounts for the year ended 30 June 2022

Key management personnel
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.
The Master, Vice Master, Bursar and Senior Tutor are the College's key management personnel.

	2022 £000	2021 £000
Aggregated remuneration:	£279	£280

9 FIXED ASSETS

	2022 Land and buildings £000	**2022 Equipment £000**	**2022 Total £000**	2021 Total £000
Cost or valuation				
At beginning of year	87,125	9,295	96,420	87,823
Additions at cost	3,767	645	4,412	8,740
Disposals at cost/valuation	-	(300)	(300)	(143)
At end of year	90,892	9,640	100,532	96,420
Depreciation				
At beginning of year	22,547	3,672	26,219	24,382
Charge for the year	1,692	602	2,294	1,976
Eliminated on disposals	-	(300)	(300)	(139)
At end of year	24,239	3,974	28,213	26,219
Net book value				
At end of year	**£66,653**	**£5,666**	**£72,319**	**£70,201**
At beginning of year	£64,578	£5,623	£70,201	£63,441

The insured value of freehold land and buildings as at 30 June 2022 was £133,697,540 (2021: £121,116,559).

10 INVESTMENTS

	2022 £000	2021 £000
Balance at beginning of year	70,403	68,997
Additions at cost	5,122	1,267
Disposals at opening market value	(1,019)	(6,839)
Appreciation on disposals/revaluation	(5,670)	8,608
Increase in cash balances held by fund managers	(1,040)	(1,630)
Balance at end of year	£67,796	£70,403
Represented by:		
Quoted securities – equities	55,946	58,950
Quoted securities – fixed interest	8,876	7,439
Cash held for reinvestment	2,974	4,014
	£67,796	£70,403

11 STOCKS

	2022 £000	2021 £000
Goods for resale	£242	£262

Notes to the Accounts for the year ended 30 June 2022

12	**TRADE AND OTHER RECEIVABLES**	**2022 £000**	2021 £000
	Members of the College	149	125
	Trade debtors	68	33
	Taxation recoverable	66	43
	Other receivables	1,273	645
	Prepayments	183	77
		£1,739	£923

13	**CASH AND CASH EQUIVALENTS**	**2022**	2021
		£000	£000
	Current accounts	3,505	2,002
	Cash in hand	22	19
		£3,527	£2,021

14	**CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**	**2022**	2021
		£000	£000
	Trade creditors and accruals	522	495
	PAYE and Social Security	152	137
	Students' deposits	226	151
	Other creditors	1,052	1,124
		1,952	1,907

15	**CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**	**2022**	2021
		£000	£000
	Bank loan repayable 14th January 2027	6,000,000	-
		6,000,000	-

16	**PENSION PROVISIONS**	**CCFPS**	**USS**	**2022**	2021
		£000	**£000**	**£000**	£000
	Balance at beginning of year	5,720	373	6,093	7,197
	Movement in year:				
	Current service cost including life assurance	1,011	861	1,872	1,170
	Contributions	(785)	(171)	(956)	(870)
	Other finance cost/(gain)	104	3	107	74
	Actuarial loss/(gain)	(3,555)	-	(3,555)	(1,478)
	Balance at end of year	£2,495	£1,066	£3,561	£6,093

Notes to the Accounts for the year ended 30 June 2022

17 ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	**Unrestricted permanent endowments £000**	**2022 Total £000**	2021 Total £000
Balance at beginning of year:				
Capital	32,428	27,582	60,010	51,158
New donations and endowments	702	-	702	642
(Decrease)/Increase in market value of investments	(2,585)	(2,532)	(5,117)	8,210
Balance at end of year	£30,545	£25,050	**£55,595**	£60,010

Analysis by type of purpose:

	2022	2021
Fellowship Funds	11,220	12,151
Scholarship Funds	4,671	5,067
Prize Funds	487	672
Hardship Funds	10,356	10,420
Travel Grant Funds	665	721
Other Funds	3,147	3,397
General endowments	25,049	27,582
	£55,595	£60,010

Analysis by asset:

	2022	2021
Investments	55,595	60,010
	£55,595	£60,010

Notes to the Accounts for the year ended 30 June 2022

18 RESTRICTED RESERVES

Reserves with restrictions are as follows:

	Capital grants unspent £000	**Unspent restricted income £000**	**Restricted expendable endowment £000**	**2022 Total £000**	2021 Total £000
Balance at beginning of year:					
Capital	-	-	56	56	2,317
Accumulated income	-	2,848	325	3,173	2,720
	-	2,848	381	3,229	5,037
From the University of Cambridge for Cambridge Bursaries	-	161	-	161	145
New grants	531	-	-	531	256
New donations	-	40	945	985	263
Endowment return transferred	-	800	1	801	657
Decrease/(Increase) in market value of investments	-	(199)	(55)	(254)	327
Capital grants utilised	(531)	-	-	(531)	(2,523)
Expenditure	-	(837)	(182)	(1,019)	(933)
	-	(35)	709	674	(1,808)
Balance at end of year					
Capital	-	-	660	660	56
Accumulated income	-	2,813	430	3,243	3,173
	£-	**£2,813**	**£1,090**	**£3,903**	**£3,229**
Analysis of other restricted funds/donations by type of purpose:					
Fellowship Funds		1,100	148	1,248	1,275
Scholarship Funds		554	46	600	544
Prize Funds		130	18	148	155
Hardship Funds		766	148	914	836
Travel Grant Funds		117	44	161	163
Other Funds	-	146	686	832	256
	£-	**£2,813**	**£1,090**	**£3,903**	**£3,229**

Notes to the Accounts for the year ended 30 June 2022

19 RECONCILIATION AND ANALYSIS OF NET DEBT

	At 1 July 2021 £000	Cash Flows £000	Other non-cash changes £000	At 30 June 2022 £000
Cash and cash equivalents	2,021	1,506	-	3,527
Borrowings:				
amounts falling due within one year				
Unsecured loans	-	-	-	-
	-	**-**	**-**	**-**
Borrowings:				
Amounts falling due after more than one year				
Unsecured loans	-	(6,000)	-	(6,000)
	-	**(6,000)**	**-**	**(6,000)**
	£2,021	**£(4,494)**	**-**	**£(2,473)**

Notes to the Accounts for the year ended 30 June 2022

20 FINANCIAL INSTRUMENTS

	2022 £000	2021 £000
Financial assets		
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments	59,389	61,314
Financial assets that are equity instruments measured at cost less impairment		
Other equity investments	4,892	5,074
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	6,501	6,035
Other debtors	1,550	835
	£72,332	**£73,258**
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans	6,000	-
Trade creditors	188	145
Other creditors	1,127	1,144
	£7,315	**£1,289**

Notes to the Accounts for the year ended 30 June 2022

21 CAPITAL COMMITMENTS

	2022	2021
	£000	£000
Commitments contracted for at 30 June:	£2,745	£187

Notes to the Accounts for the year ended 30 June 2022

22 PENSION SCHEMES

The College participates in the following defined benefit pension schemes: the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The College closed CCFPS to new joiners at 31st December 2021. From 1st January 2022 eligible non-academic staff are auto-enrolled into a defined contribution scheme with Aviva, with insured benefits provided by an employer-funded policy with AIG. Prior to 1st January 2022, the College used NEST to fulfil its auto-enrolment obligations for staff not wishing to join CCFPS. Contributions payable in respect of the year were as follows:

	2022	2021
	£000	£000
USS	171	164
CCFPS	886	910
NEST	4	10
AVIVA	28	-
AIG	3	-
	1,092	1,084

Universities Superannuation Scheme

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

The total cost charged to income and expenditure is £171k (2021: £164k) as shown in note 8. Deficit recovery contributions due within one year for the College are £61k (2021: £45k)

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 College cannot identify its share of Scheme assets and liabilities, the following disclosures reflect those relevant for the Scheme as a whole.

Notes to the Accounts for the year ended 30 June 2022

22 PENSION SCHEMES

Universities Superannuation Scheme (continued)
The 2020 valuation was the sixth valuation for USS 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 £66.5 billion and the value of the scheme's technical provisions was £806 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.

CPI assumption
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.

Discount rate:
Fixed interest gilt yield curve plus:
Pre-retirement: 2.75% p.a.
Post-retirement: 1.00% p.a.

Pension increases (subject to a floor of 0%):
CPI assumption plus 0.05%

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. Mortality base table:

2020 Valuation

Mortality base table
101% of S2PMA "light" for males and 95% of S3PFA for females.

Future improvements to mortality
CM_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

2018 Valuation

Mortality base tables:
Pre-retirement
71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

Post-retirement
97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.

Future improvements to mortality
CM_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.

Notes to the Accounts for the year ended 30 June 2022

22 PENSION SCHEMES

Universities Superannuation Scheme (continued)

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	3.33%	0.78%
Pensionable salary growth	5.0%	2.7%

Cambridge Colleges Federated Pension Scheme

The College is also a member of a multi-employer defined benefit scheme: the Cambridge Colleges' Federated Pension Scheme. A full valuation was undertaken as at 31 March 2020 and updated to 30 June 2022 by a qualified independent actuary.

The liabilities of the scheme 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 Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the Scheme 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
Salary inflation assumption	3.25	3.10
Retail Prices Index (RPI) assumption	3.45*	3.40
Consumer Prices Index (CPI) assumption	2.75*	2.60
Pension increases in payment (RPI Max 5% p.a.)	3.30*	3.30
Pension increases (CPI Max 2.5% p.a.)	2.05*	1.95

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

Notes to the Accounts for the year ended 30 June 2022

22 PENSION SCHEMES

Cambridge Colleges Federated Pension Scheme (continued)

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term rate of future improvement of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements. (2021: S3PA with CMI_2020 future improvement factors and a long-term future improvement rate of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

	2022	**2021**
Males currently aged 65 now	21.9	21.9
Females currently aged 65 now	24.3	24.3
Males aged 45 now and retiring in 20 years	23.2	23.2
Females aged 45 now and retiring in 20 years	25.7	25.7

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.

The amounts recognised in the Balance Sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows:

	2022 **£000**	**2021** **£000**
Present value of plan liabilities	(14,667)	(19,565)
Market value of plan assets	12,172	13,845
Net defined benefit liability	**£(2,495)**	**£(5,720)**

The amounts to be recognised in income and expenditure for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 **£000**	**2021** **£000**
Current service cost	977	1,000
Administration expenses	34	25
Interest on net defined benefit liability	104	99
Loss of plan changes	-	-
Total	**£1,115**	**£1,124**

Notes to the Accounts for the year ended 30 June 2022

22 PENSION SCHEMES

Cambridge Colleges Federated Pension Scheme (continued)

Changes in the present value of the Scheme liabilities for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£000	£000
Present value of Scheme liabilities at beginning of period	19,565	20,179
Current service cost (including Employee contributions)	977	1,000
Employee contributions	26	23
Benefits paid*	(383)	(1,233)
Interest on Scheme liabilities	357	291
Actuarial losses/(gains)	(5,875)	(695)
Loss on plan changes	-	-
Present value of Scheme liabilities at end of period	**£14,667**	**£19,565**

*net benefits paid after receipt of two large death in service lump sums

Changes in the fair value of the Scheme assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£000	£000
Market value of Scheme assets at beginning of period	13,845	13,398
Contributions paid by the College	785	706
Employee contributions	26	23
Benefits paid	(383)	(1,233)
Administration expenses	(43)	(40)
Interest on plan assets	253	192
Return on assets, less interest included in income and expenditure	(2,311)	798
Market value of plan assets at end of period	**£12,172**	**£13,844**
Actual return on plan assets	**£(2,058)**	**£990**

The major categories of Scheme assets as a percentage of total Scheme assets at 30 June 2022 (with comparative figures at 30 June 2021) are as follows:

	2022	2021
Equities	52%	48%
Bonds and cash	34%	42%
Property	14%	10%
Total	**100%**	**100%**

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

Notes to the Accounts for the year ended 30 June 2022

22 PENSION SCHEMES

Cambridge Colleges Federated Pension Scheme (continued)

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	**2021**
	£000	**£000**
Return on assets, less interest included in Profit & Loss	(2,311)	798
Expected less actual scheme expenses	(8)	(15)
Experience gains and losses arising on Scheme liabilities	(538)	309
Changes in assumptions underlying the present value of Scheme liabilities	6,412	386
Re-measurement of net defined benefit liability recognised in OCI	**£3,555**	**£1,478**

Movement in net defined benefit liability during the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	**2021**
	£000	**£000**
Deficit in Scheme at beginning of year	(5,720)	(6,781)
Recognised in income and expenditure	(1,115)	(1,123)
Contributions paid by the College	785	706
Re-measurement of net defined benefit liability recognised in OCI	3,555	1,478
Net defined benefit liability at end of year	**£(2,495)**	**£(5,720)**

Funding Policy

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102. The last such valuation was at 31 March 2020. This showed that the Scheme'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 Scheme's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £99,277 per annum payable for the period 1 July 2021 to 31 May 2033.

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

Notes to the Accounts for the year ended 30 June 2022

22 PENSION SCHEMES

Cambridge Colleges Federated Pension Scheme (continued)

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

- Annual contributions of not less than £99,277 per annum payable for the period 1 July 2021 to 31 May 2033.

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

As part of the agreement of the level of deficit recovery contributions above, the College has given the Trustees of the CCFPS a legal and equitable charge over the property known as 1 Selwyn Gardens, Cambridge, which was purchased by the College in April 2021 for £2.4m for use as a student hostel.

NEST
Until 31 December 2021 the College offered membership of NEST, a defined contribution pension scheme, to its non-academic employees not wishing to join the CCFPS. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £4,472 (2021: £9,720) of which £0 (2021: £814) was outstanding at the year end.

AVIVA
From 1 January 2022 the College offered membership of a defined contribution pension scheme managed by Aviva, to its non-academic employees not already members of CCFPS. The College funds a policy with AIG for insured benefits for employees enrolled in the Aviva pension scheme. The pension charge represents contributions due from the College to Aviva amounting to £28,430 (2021: £0) of which £7,749 (2021: £0) was outstanding at the year end, and premiums due to AIG of £3,452 (2021: £0) of which £0 (2021: £0) was outstanding at the year end.

23 RELATED PARTY TRANSACTIONS

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

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

Notes to the Accounts for the year ended 30 June 2022

23 RELATED PARTY TRANSACTIONS

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

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

The salaries paid to Trustees in the year (including associated employer National Insurance contributions and employer contributions to pensions) are summarised in the table below:

From	To	2022 Number	2021 Number
£0	£10,000	37	41
£10,001	£20,000	7	4
£20,001	£30,000	5	5
£30,001	£40,000	2	5
£40,001	£50,000	3	3
£50,001	£60,000	4	2
£60,001	£70,000	1	0
£70,001	£80,000	2	2
£80,001	£90,000	-	1
£100,001	£110,000	3	-
	Total	**64**	**63**

The total Trustee salaries were £1,037,942 for the year (2021: £999,181)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £21,310 for the year (2021: £21,230)