Lucy Cavendish College
University of Cambridge

# Annual Report and Accounts

**For the Financial Year Ending**
**30th June 2022**

# Contents

## Members of Governing Body during the year to 30 June 2022

| | |
|---|---|
| President | Madeleine Atkins PHD DBE CBE FASS |
| Alireza | Patricia, PHD DSC, Senior Scientist, Cavendish Laboratory |
| Bahn | Professor Sabine MD PHD MRCPSYCH, Professor, Bahn Laboratory, University of Cambridge |
| Baker | Renan, DPHIL, Affiliated Lecturer and British Academy Research Fellow, Faculty of History; Tutor, Lucy Cavendish College |
| Becque | Jurgen, PHD, University Lecturer in Structural Mechanics in Engineering |
| Blakesley | Jennifer, BSC, Director, Careers Service, University of Cambridge |
| Brearley | Jacqueline Chryscillian MA VET MB PHD DVA DIP ECVAA MRCA MRCVS, Academic Lead in the Pauline Brown Clinical Skills Centre, Department of Veterinary Medicine, University of Cambridge to 30 September 2021 |
| Bullmore | Professor Ed, Professor of Psychiatry, University of Cambridge |
| Cameron | Professor Ruth MA PHD FIMMM FINSTP CPHYS, Professor, Materials Science and Metallurgy, University of Cambridge; Research Mentor in the Sciences, Lucy Cavendish College |
| Clare | Isabel Clare Huntingdon, BSC MPHIL MPHIL PHD, Consultant Clinical & Forensic Psychologist, NIHR CLAHRC East of England; and Cambridge Intellectual & Developmental Disabilities Research Group, Department of Psychiatry, University of Cambridge, Tutor, Lucy Cavendish College |
| Cordonier-Segger | Professor Marie Claire, LLB BCL MEM DPHIL, Affiliated Fellow of the Centre and Leverhulme Trust Visiting Professor with the Bennett Institute for Public Policy, the Centre for Environment, Energy and Natural Resources Governance (C-EENRG) and other partners |
| Cotta | Bruno, BEng, MBA, Executive Director of the Entrepreneurship Centre, JBS |
| Daffern | The Rev'd Canon Adrian, BA MA MTH FRCO FRSA, Vicar of the University Church of St Mary the Great, Rural Dean of Cambridge North |
| Fistein | Dr Elizabeth, Medical Member of the First Tier Tribunal (Mental Health); the School of Clinical Medicine Ethics and Law Lead for the courses in Clinical Medicine, Tutor, Lucy Cavendish College |
| Fowell | Mr Christopher, BDS MFDS MBCHB FRC, Consultant, Oral and Maxillofacial Surgery, Cambridge University Hospitals NHS Foundation Trust. |
| Freer | Alexander, BA, MPHIL, PHD, College Assistant Professor in English, Lucy Cavendish College |
| Gilbey | Julian, PhD, Researcher in image processing, Department of Applied Mathematics and Theoretical Physics, University of Cambridge |
| Git | Anna, MSC PHD, Independent Senior Research Associate, Department of Biochemistry, University of Cambridge; Tutor, Lucy Cavendish College |
| Goodall | Jane, BSC PHD, Senior Research Associate in in the School of Clinical Medicine, University of Cambridge and Tutor, Lucy Cavendish College |
| Gordon | Emily, PHD, College Teaching Officer in Law, Lucy Cavendish College to 30 September 2021 |
| Greatorex | Jane Suzette BTEC FMLS PHD, Honorary Research Scientist, Public Health England; Senior Tutor, Lucy Cavendish College |
| Gonzalez | JohnHenry (Hank), PHD, University Assistant Professor in Caribbean History, University of Cambridge |
| Haque | Nooman, MBA, Head of Life Sciences and Healthcare at Silicon Valley Bank for EMEA |
| Hendriks | Professor Henriette PHD, Professor in Language Acquisition and Cognition, Faculty of MMLL, Lucy Cavendish College; Vice-President and Research Mentor in the Arts |
| Houghton | Margaret Christine BA MA, Domestic Bursar and Wine Steward, Lucy Cavendish College |
| Jones | Derek, Chief Executive, Babraham Bioscience Technologies |
| Keller | Katie, BM MA, CGCM course tutor appointed by the Clinical Schools |
| King | Mark, MA MPHIL PHD PGCE, Admissions Director |

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|---|---|
| Lloyd | Richard, MMUS PHD MBIE MSC PHD FRCPATH Human Anatomy Centre Manager, Department of Physiology, Development and Neuroscience, University of Cambridge |
| Mahon | Annette BSC PHD, Assistant Senior Tutor (Graduates), Lucy Cavendish College, to 1 June 2022 |
| Murphy | Mary PHD, Undergraduate and MPhil supervisor in Education, University of Cambridge; Tutor, Lucy Cavendish College, from 23 February 2022 |
| Mysoor | Poorna LLB LLM DPHIL, College Teaching Officer in Law from 1 October 2021 |
| Nelson | Howard, PHD, Lecturer in Conservation Leadership, Fauna & Flora International, Tutor, Lucy Cavendish College |
| Nugent | Eileen Mary BSC MPHIL DPHIL, Tutor, Lucy Cavendish College |
| Ottewell | Karen, MA MPHIL EDD PHD MCIL FRSA, Director of Academic Development & Training for International Students, Language Centre, University of Cambridge; Tutor, Lucy Cavendish College |
| Quie | Marissa, PHD, Research Associate, Department of Sociology, University of Cambridge |
| Rath Spivack | Orsola MA PHD, Senior Research Associate, DAMTP, University of Cambridge to 30 September 2021 |
| Ruigrok | Amber PHD, Binks Autism Neuroscience Research Fellow, University of Cambridge; Tutor Lucy Cavendish College, to 31 March 2022 |
| Ryan | Joanna BSC, Development Director, Lucy Cavendish College |
| Sparkes | Dr Matthew, MA PHD, Teaching Associate, Department of Sociology and Social Sciences Research Methods Centre, University of Cambridge |
| Stott | Professor Neil, MST DPROF, Faculty (Professor-level) in Management Practice, Co-Director of the Cambridge Centre for Social Innovation; Director of the Master of Studies in Social Innovation Programme, JBS |
| Sutliff Sanders | Joe, MA PHD University Associate Professor in Education, University of Cambridge |
| Talmi | Deborah, MA PHD, University Assistant Professor in Psychology, University of Cambridge |
| Thompson | Lesley Margaret MA MA FCA, Bursar, Lucy Cavendish College |
| Tonkin | Suzanne, Librarian, Lucy Cavendish College |
| Vinnicombe | Alison Annette BA MA Dip RSA, Dean, Praelector, Registrar, Steward, Secretary to Council and Secretary to Governing Body, Lucy Cavendish College |
| Wain | Helen BENG MA, Assistant Director, Head of Group Procurement, University of Cambridge; Director of Southern Universities Management Services |
| Wilson | Dr Shona BSC PHD, Research Group Leader, Division of Microbiology and Parasitology, Department of Pathology, University of Cambridge, Tutor, Lucy Cavendish College |
| Yiu | Vivian Wei Man MA MB BCHIR MRCP, Joint Course Director CGCM, |

# Reference and Administrative Detail

**Lucy Cavendish College**
Lady Margaret Road
Cambridge
CB3 0BU

Charity Registration Number: 1137875

## Charity Trustees
See list on previous page

## Senior Officers
President: Professor Dame Madeleine Atkins PhD DBE CBE FaSS
Vice-President: Professor Henriette Hendriks PhD
Senior Tutor: Dr Jane Greatorex BTec FMLS PhD
Bursar: Mrs Lesley Thompson MA FCA

## Principal Advisers

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

**Property Valuers & Consultants:**
Bidwells
Stonecross
Trumpington High Street
Cambridge CB22 9SU

**Auditors:**
Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge CB4 0WZ

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

**Securities Managers:**
Smith & Williamson
25 Moorgate
London EC2R 6AY

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

# Report of the Governing Body

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

In March 2019 the Governing Body took three important decisions: that the College should grow substantially from c.400 students to c.1,000 students maintaining a majority of postgraduate students; that the admissions policy should be changed so that from October 2021 the College would admit standard-age (generally 18+) students of any gender; and that the historical DNA and mission of the College – to open the Cambridge door to talented and exceptional students from under-represented and non-traditional backgrounds - should remain a fundamental aspect of its future such that Lucy Cavendish would, uniquely in Cambridge, become broadly representative in its UK student body of our national society. At postgraduate level, the focus was to become the 'go-to' college for students pursuing interdisciplinary advanced learning or research, focused on the complex issues facing humankind and our planet as captured in the UN Sustainable Development Goals (UN SDGs). We would also seek to increase the number of full or partial scholarships that we could offer international Masters students from non-traditional backgrounds or under-served communities.

However, following the late changes in the way A Level results were calculated in summer 2020, the Trustees agreed to advance acceptance of 18 years + women in October 2020 in order to enable the University of Cambridge to meet the increased number of undergraduate offer -holders who had now met their Cambridge offer. A cohort of 30, standard-age, women undergraduates was accordingly admitted to the College in October 2020 comprising just under half of the new intake. In line with the decisions made in 2019, during the academic year 2021/22 around 50% of the new undergraduate intake was made up of young men.

Fellowship, post-doctoral and research positions are open to all applicants regardless of their gender.

The College is primarily situated on a site just north-west of central Cambridge bounded by Madingley Road and Lady Margaret Road. Until 2021 the College was based around three converted 19th century villas together with newer, purpose-built facilities including student accommodation, porters' lodge, library, teaching rooms, dining hall, gym and other common spaces. To support the planned growth of the College, during 2020/21 one of the 19th century villas (Barrmore) was demolished and a major new building development commenced to provide more student accommodation and facilities onsite (72 en-suite rooms, informal learning spaces and a large new café). Practical completion was achieved on this building on time and within budget in August 2022. The work was undertaken with a deliberate focus on environmental sustainability – in particular a commitment to achieving the exacting Passivhaus standard for carbon emissions. The new building will be some 70% more energy efficient than the building it replaced despite accommodating many more students and providing much-needed additional facilities. The development has been made possible by a £16m loan facility to the College from the University of Cambridge. Including this new building there is now onsite accommodation for 151 students with a further 92 rooms (including 10 flats) owned by the College near its main site, primarily at its student centre at 100 Histon Road which was opened in 2014. In order to provide more accommodation, the College also rents neighbouring properties and rooms from St John's College and at Mount Pleasant Halls, which together provide a further 159 rooms and flats. Finally, in order to provide additional accommodation to meet the increase in students admitted, the College rented 15 rooms from neighbouring Westminster College for 2021/22 and 70 rooms from a private student accommodation provider, Collegiate, at its Castle Street building – a very short walk from the College's main site.

**Aims and Objectives of the College**

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

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

The College delivers these objectives by provision of the following:

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

The College advances *research* through:

- Providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full research, teaching and administrative duties of an academic post;
- Supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing stipends or grants
- Offering College membership to c.40 postdoctoral associates each year and supporting them to design a programme of seminars, talks, a mentoring scheme, professional/leadership training and networking events
- Encouraging short residential visits from outstanding academics from abroad who are pursuing a research agenda that supports or strengthens that of our Fellows; and
- Encouraging the dissemination of research undertaken by members of the College for example through the 'Live at Lucy' on-line weekly seminar series which has global reach and is then disseminated further via social media channels, publication of books and papers in academic journals or other suitable means.

**Public benefit**

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

In summary, the College provides, in conjunction with the University of Cambridge, an education which is recognised internationally as being of the highest standard for some 700 students with plans to increase this number to around 1,000 within the next three years. This education develops students academically, supports their career ambitions, and promotes their leadership skills. On graduation from the College they are enabled to play enhanced and effective executive roles for the benefit of society around the world. This world-class education is provided to students who have the highest academic potential whatever their financial means or religious, racial, political or social background - indeed the College actively seeks applications from groups currently underrepresented in Cambridge and has developed a unique on-line programme, the Academic Enrichment Programme, to support improved academic attainment within its partner schools. The College is participating in the University's new Foundation Year Programme and will be welcoming five students for the next academic year as part of our new cohort.

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

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

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

As a result of periods of Covid lock-down and travel restrictions the public seminar/event series was re-conceived and launched on-line as 'Lucy in Lockdown' and subsequently 'Live from Lucy'. This has proved beneficial in significantly extending the profile and 'reach' of these events, thereby enabling hundreds of members of the public, who would not otherwise have been able to travel to the College, to hear excellent speakers on a range of topics and to participate in discussion with them and with a diversity of participant views. The Covid pandemic has required the College to adapt and find new ways of engaging with public audiences and it is likely that these innovations will be retained.

The College has, for the last decade, hosted an increasingly important annual national prize for fiction, the Lucy Cavendish Fiction Prize, open to women novelists over the age of 21 years who have not yet been published. It has been sponsored by the literary agency PFD for the last 7 years and, following a competitive process during 2021, a new sponsorship agreement with them is in place until 2023. In this its 12th year the Prize attracted around 600 entrants of high quality. The winner was Hannah Stapleton with her novel: *Blue Tears*. The Prize continues to be very successful in launching literary careers with a number of shortlisted writers again seeing commercial success during the year. There is also now a parallel Fiction Prize for students.

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

**Scope of the financial statements**

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

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

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

**Operational Context**

**Planning for and implementing the College's expansion and development**

The College has continued to develop and implement its plans for the next five years when, following its decision to change its admissions policy to become a standard age, mixed college from October 2021, it aims to more than double the size of its student body in support of its mission to provide significantly more opportunities for talented students from groups who are traditionally under-represented at Cambridge and for those whose advanced learning and research address key 21st century problems. Lucy Cavendish continues to be the only college currently at Cambridge prepared to grow at scale and pace and to align its own evolving mission with the University's priorities.

As noted in the Introduction, a considerable programme of estates development has been achieved over the last financial year with the new building at Lady Margaret Road achieving practical completion in August 2022. The building provides 72 study bedrooms and a large new café/social space which encourages and supports informal learning on the ground floor and is designed to Passivhaus standards to reduce the College's carbon emissions into the future. Indeed, the new building should be 70% more energy efficient than the building it replaces as well as providing six times more study bedrooms.

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

The planned growth in student numbers and the major estates developments have necessitated the College spending a good deal of time over the last two years in developing and refining the financial model which it created in 2020 and which can be used as a tool to assess the likely outcomes financially of different scenarios and sensitivities including a range of downside risks. This is updated regularly to reflect actual financial outcomes. The model shows that the College will continue to achieve financial sustainability over the period (30 years) covered by the model.

**Summary Financial Results**

The following section of this Report details the main features of the Financial Results. Covid continued to have an impact as conferences were still very limited with ongoing lockdowns and travel restrictions in various parts of the world. Also, on the down side, a major driver in the overall position of the College was the very considerable fall in the investment portfolio with stock market valuations at the year-end significantly affected by the war in Ukraine and its uncertainties together with post pandemic supply issues. A key positive driver for the College was that once again the Colleges' Fund Committee agreed that its grant to colleges could be used to defray operating expenditure rather than being required to be invested as endowment and the College was granted £1.203m from this source. The College was also fortunate to receive a very significant donation of £2.6m from Christina and Peter Dawson during the year. In accordance with accounting standards, the total sum is included with the income for the year but the gift was made to support expenditure in outreach and student well-being over the next ten years so more of the relevant expenditure will appear in future years' accounts. The figures also reflect the stage of development of the construction of our new student accommodation and café building at 30 June 2022 with £8.75m capitalized during the year and £8.4m drawn down from the University Loan facility provided to fund this project.

The total surplus (increase in consolidated net assets) of the College for the year was £732k(20/21: £1.715m ), comprising an unrestricted surplus of £902k (20/21 deficit of £873k); a restricted surplus of £2.129m (20/21 surplus of £210k); and a deficit of endowment Income of £2.299m (20/21 surplus of £2.378m), primarily arising from a loss on investments of £2.477m as a result of the downturn in markets (20/21 gain of £2.666m). As explained above, the position on the unrestricted surplus was positively affected by the agreed use of the annual Colleges' Fund grant of £1.203m (20/21 £1.088m) for operational expenditure rather than its normal allocation to endowment and by the inclusion of the whole of the significant donation of £2.6m.

**Funding**

Overall income before gains on investments and on pension schemes was £11.8m (20/21: £6.4m). The College's main sources of income are academic fees £3.3m (20/21: £2.3m), accommodation & catering £3.2m (20/21: £1.67m) and donations & endowments of £4.8m (20/21: £1.7m)

| Income | 2021/22 | | 2020/21 | |
|---|---|---|---|---|
| | £000 | | £000 | |
| Students: college fees | 2,912 | 25% | 2,022 | 32% |
| Cambridge Bursaries | 383 | 3% | 290 | 5% |
| accommodation & catering | 3,100 | 26% | 1,667 | 26% |
| Conference accommodation & catering | 90 | 1% | 1 | 0% |
| Investment income | 385 | 3% | 316 | 5% |
| Donations and endowments | 4,781 | 41% | 1,739 | 27% |
| Other income | 165 | 1% | 343 | 5% |
| Total | 11,816 | 100% | 6,377 | 100% |

**Expenditure**

Total expenditure was £8.6m (20/21: £6.3m), comprising staff costs £3.58m (20/21: £2.55m), other operating expenditure £4.39m (20/21: £3m) and the balance being depreciation of £666k (20/21: £736k). This expenditure is primarily allocated to Education £3.9m (20/21: £2.8m), and Residences, catering and conferences £4.3m (20/21: £3.1m).

At 30 June 2022 the value of the endowment was £13m (20/21: £15.3m), while the College's overall investments totalled £17.7m (20/21: £17.7m), mainly invested in the College's amalgamated investment portfolio. Overall consolidated net assets were £46.8m (20/21: £46m).

As the full costs of education are not met by Academic Fees and Charges, donations and return on endowment are critical elements to bridge this gap in all Cambridge colleges. However, colleges differ enormously in the size of their endowment and hence the return available from it. An arrangement exists for the better-endowed colleges to support those colleges with smaller endowments through the Colleges' Fund. As a college with one of the smallest endowments, Lucy Cavendish College is regularly a beneficiary of this scheme and in this year received £1.203m by way of a grant and this is included in donations and endowment income above (£1.088m in 20/21).

**Achievements and performance**

**Academic and College Community**

The College currently has approximately 639 fee paying (total 678 including 'exempt') students from all walks of life and from all over the world (20/21 471 and 528)

Nationally and locally, students were recognised in a range of fields. Amongst many successful students:

**Alexandra Breckenridge** (Law Tripos) was awarded the Clifford Chance C.J. Hamson Prize for the Law of Contract and the E.C.S. Wade Prize for Constitutional Law.
**Nadia Capatina** (Cambridge Graduate Medical Course) received the Blair Bell Research Society best student prize award at the Royal College of Obstetricians and Gynaecologists Annual Academic Meeting.
**Bonnie Cheung** (Veterinary Medicine Tripos) published an article for Veterinary Evidence entitled 'In dogs with atopic skin disease, is lokivetmab more effective than oclacitinib in reducing the score of a recognised scoring system?'
**Ruby Pillai** (MSt in Entrepreneurship) was appointed Patron for the official History of Parliament Trust's book, 300 Years of Leadership and Innovation.
**Rosa Prosser** (Natural Sciences Tripos) had their documentary series 'Careers to Solve the Climate Crisis' launched on the Cambridge Zero YouTube channel, with the series' final episode premiered at the COP26 'Green Career Pathways' event.
**Adele Rickerby** (MSt in Creative Writing) won the 2022 Florence Staniforth Student Fiction Prize.
**Agnieszka Słowik** (PhD Computer Science) won the Young AI Researcher 2022 Award at the Perspektywy Women in Tech Summit in Warsaw, Poland for the work accomplished during their PhD.
**Eric Yip** (Economics Tripos), with their work *Fricatives*, was announced as the youngest ever winner of the National Poetry Competition.

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

**Professor Marie-Claire Cordonier Segger** chaired the Climate Law and Public Policy Conference, in preparation for COP26 co-hosted by partners from the University of Glasgow and the University of Strathclyde, and featured keynotes and experts' plenary with leading practitioners, researchers and academics in law, climate change, economics, politics, land economy, development studies. Fellows, Research Associates, and students from Lucy Cavendish College later played a key role at the UN Framework Convention on Climate Change (UNFCCC) 26th Conference of the Parties (CoP26 in Glasgow, Scotland)
**Professor Neil Stott** published 'The Bluefield Experiment in Co-op Economics' focusing on collective and cooperative ways to organise for social justice in our histories, which we can learn from to tackle the wicked problems of our day.
**Dr Elizabeth Fistein** published on support and treatment for people with Prader-Willi Syndrome in Science Direct's *International Journal of Law and Psychiatry*
**Dr Richard Lloyd** was appointed as Visiting Fellow at the Cranfield Forensic Institute to develop collaborative research projects with a medico-legal focus.
**Research Fellow Dr Niamh Mulcahy** published her debut book with Routledge *'Class and Inequality in the Time of Finance'* explores the effects of the gradual liberalisation of capital markets and the expansion of consumer credit on poorer households in the United Kingdom, with particular attention to the precariousness caused by a lack of savings and a reliance on debt.
**Research Fellow Dr Suhail Dhawan** received the College's Dame Anne Warburton Award. Based at the Kavli Institute for Cosmology, Institute of Astronomy, Cambridge, his research is based on measuring distances to exploding stars to infer how fast the universe is expanding.
**Fellow-Commoner Professor Dalia Leinarte, published a new book with Bloomsbury** titled *Family and the state in Soviet Lithuania*, challenging the commonplace 'kitchen culture' idea that the home was a site of silent resistance where traditional Lithuanian values continued to be nurtured.
**Fellow-Commoner Ann Limb was made a dame in the 2022 Queen's Birthday Honours list** for services to young people and philanthropy.
**Honorary Fellow Baroness Kennedy** led the team behind the rescue of women judges from Afghanistan working with international and local partners, including Sir Charles Hoare, to evacuate women at risk from Afghanistan to Greece.
**Honorary Fellow and former Vice-Chancellor of the University of Cambridge Professor Dame Alison Richard** published an account of Madagascar's past and present, *The Sloth Lemur's Song* in March 2022. It is far-reaching account of Madagascar's past and present
**Emeritus Fellow Dr Sarah Gull**, formerly Joint Course Supervisor for the Graduate Medical Course at West Suffolk Hospital and a Consultant Gynaecologist was ordained Deacon in St Edmundsbury and Ipswich

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

**Diversity and widening access**

Following the success of our first (2021) intake under our new admissions policy, the 2021-22 admissions round posed new challenges. The legacy of the pandemic continued to be felt in its impact on applicants' education, with the disadvantaged students upon whom the College is particularly focused being particularly affected. Nevertheless, following a successful virtual admissions round, 134 new undergraduate students are confirmed to commence their studies at Lucy Cavendish this autumn. Once again, we have met our target of admitting a majority from backgrounds that are either disadvantaged or underrepresented at Cambridge, with over 64% of our new students coming from such backgrounds. We are also on track to become the first Cambridge College to admit over 90% of our UK entrants from maintained sector schools, which is a significant milestone as we look to become broadly representative of national society by 2025. When analysed using socioeconomic metrics, over 25% are from the two lowest POLAR4 quintiles, indicating areas of significant under-participation in HE, and over 35% from the two lowest quintiles on the Index of Multiple Deprivation, indicating regions of significant socioeconomic disadvantage. Once again, these figures significantly exceed the University-wide averages at both Cambridge and Oxford. Indeed, they are significantly above what any Cambridge College has ever achieved in the past.

Our postgraduate intake, meanwhile, is projected to be c.300 full-time and part-time students, with over 70 countries represented on around 150 courses across the University. We continue to raise money for new scholarships aimed at programmes related to the UN Sustainable Development Goals, along with others which target international students from deprived backgrounds. We are very grateful to our benefactors and legators who have enabled these exceptional students to study and research at the highest level here in Cambridge. Seeking donors to establish more such studentships remains one of the three foci of our current fundraising efforts.

The past academic year has also seen the first full year of our Academic Enrichment Programme (AEP): an online, sustained engagement outreach programme that is one of the few specifically designed to raise academic attainment in Sixth Form students through a supplementary curriculum of academic enrichment classes. This followed on from the Year 11 Summer Preparation Programme mentioned in last year's report. Roughly 550 students were enrolled on this programme, which recently concluded with a 'return-leg' summer school that helped prepare the students for applying to highly selective universities, such as Oxford and Cambridge. We have since launched a new Year 11 programme, which will turn into the second year of the AEP this autumn. Our work to support these students has recently benefited from a successful bid to the newly established Isaac Newton Trust Widening Participation and Induction Fund, which will allow us to significantly expand and professionalise our provision, making the AEP one of the most well-developed and pioneering such programmes available anywhere within the sector.

**Student Support**

It is not of course sufficient merely to seek, attract and admit talented students from under-represented groups in society. Once at Cambridge, they need to be supported to achieve their academic potential, their personal and professional development, and their career aims. Too often there is a gap between the outcomes on these measures between those from non-traditional backgrounds and their more socially and economically privileged peers. That is the case at Cambridge. So, given the mission of the College, it is doubly important that we close these gaps and the last year has seen us pilot, evaluate, refine and implement three co-curricular support programmes which will benefit the new intakes substantially. These programmes are: academic skills enhancement including extra tuition for example in mathematics; well-being with an emphasis on resilience and self-management of a balanced lifestyle for all - as well as the availability of professional counselling; and careers & enterprise with excellent co-ordination between the College and the University's Careers Service alongside a programme of events and opportunities unique to Lucy students.

In order financially to assist undergraduates entitled to student support, the College provides, through a scheme operated in common with the University and other Colleges, bursaries (the Cambridge Bursary) for those with limited financial means. Students over 25 years of age at the start of their course are automatically considered for an enhanced award. In addition, the College actively gives other awards and bursaries to its undergraduate and graduate students comprising £397k in 2021/22, compared with £260k in 2020/21. We are grateful to our donors who regularly contribute to these scholarship and hardship funds.

**Fundraising activities**

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

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

The three major priorities are: substantial donations to augment the endowment of the College; gifts and donations to fund buildings and facilities in the Estates Master Plan; and scholarships for international students from low-income backgrounds who wish to study Masters' or doctoral programmes focused on the UN Sustainable Development Goals as part of their professional development for leadership roles in their home countries.

The benefit of virtual platforms as a communication tool was again demonstrated in alumni relations: Zoom updating and keeping-in-touch sessions have been held with College members worldwide, with numbers attending greatly exceeding those that could have been met face-to-face through conventional overseas trips

Methods for soliciting gifts include face-to-face fundraising by private meeting (including via Zoom), the promotion of legacy giving, direct mailings, giving through social media in the form of 'Giving Weeks' and opportunities for online giving via the website. The College also made use of challenge funding and match funding initiatives wherever possible.

There is a clear statement on the College's website regarding use of data for alumni and fundraising purposes. No mass solicitation takes place without prior notification and opportunities to opt out easily feature prominently in forms of communication. Donor segmentation (sorting donors into groups based on shared demographic characteristics and previous engagement) is performed to ensure targeted and appropriate fundraising communications with a maximum of four a year. Due consideration is given to whether potential donors might be considered vulnerable to ensure fair treatment.

There have been no formal complaints made about fundraising during the 2021-22 academic year, nor in the previous year.

Financial Review

## Income

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

**Academic Fees and Charges - £3.295m** (£2.312m) 43% increase

The College charges:

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

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

Overall student numbers in College rose significantly during the year and total fee income also rose, though the amount received also depends on the mix of students. In 2021/22, including visiting students, there were 265 (20/21: 157) undergraduates and 374 (20/21: 314) fee-paying postgraduates, of whom 99 (20/21: 63) were part time. A further 39 (20/21: 57) postgraduate students were exempt from paying fees.

Also included under this heading is income received relating to the Cambridge Bursary scheme. The amount received increased by 32% as it relates to the number of students in any year eligible to receive it. This income is offset by expenditure on the scheme which also increased.

**Residences, catering and conference income - £3.19m** (£1.667m) 91% increase

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

The College charges accommodation, meal and service charges at reasonable rates to its students. Income related to these areas increased by 86%. This increase resulted from greater student numbers but primarily reflects the much lower income received in 2020/21 because of rent reductions and refunds for catering as a result of COVID restrictions.

The income derived from conferences has historically been critical for the College's finances and significant efforts are made to fill rooms and provide a good service to guests so that the College's ongoing costs are covered, particularly during vacation periods. However, because of COVID, from March 2020 onwards almost no conference activity was possible and there was only a very limited amount able to happen in the last financial year. Total income received from conference accommodation and catering charges was up to a total of £90k compared with only £2k in 2020/21 but this compared with income from conferences of £650k in 19/20 (the first year to be affected by Covid) and £726k in 18/19.

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

**Investment income - £385k** (£316k) 22% increase; **and endowment return transferred £503k** (£426k) 18% increase

Investment income represents dividend and interest receipts.

The Governing Body Fellows are the Trustees of the College, governed under the Trustee Act 2000. Their investment powers are defined in Statute 38 of the College's Statutes and they have overall responsibility over the College's investments. Governing Body has responsibility for approving investment objectives, agreeing risk and return targets, performance benchmarks and the investment manager structure. The Governing Body delegates the detailed aspects of the oversight of the investment arrangements to the Finance & Investment Committee who in turn appoint investment managers to be responsible for day to day management of the investments in accordance with agreed guidelines. Overall, the financial objective of the Fund is to maintain at least the real value of the assets whilst generating a stable and sustainable return to help fund the college's operations each year. To this end, a diversified portfolio with a strategic asset allocation including most or all of UK and Overseas Equities, Bonds, Cash, Alternative Investments and Commercial Property is maintained with due regard for socially responsible investments consistent with the College's charitable status and its ethos. In October 2020 the Governing Body voted unanimously to divest from direct holdings in fossil fuel companies, adding them to the existing list of prohibitions which includes armaments, tobacco, and tar sands.

The College has for some years adopted a Total Return approach which takes account of capital gains and losses on investment as well as income. The total return target for our investment managers is the Retail Price Index rate of inflation plus 3%. During the year to June 2022 RPI was 12.1% (1.47%). The total return on the investment portfolio for the year including additions was -12% (+20.2%). On a five year annualised basis the total return has been 3.6% against a target of 7.5% (RPI +3%) These disappointing results reflect the significant impact of a very poor few months for the portfolio after a year of very good recovery post pandemic and years of very good performance relative to the benchmark and against target. The return has been affected by the relatively poor performance of growth stocks and the relatively positive performance of oil stocks and these are in exact opposition to the relative weightings within the portfolio. Within the College's Total Return Spending Rule the aim is to derive a sufficient and regular return substantially to offset the shortfall in funding for the College's core educational activities; over recent years the Governing Body has approved a transfer of 3% to bring the College more in line with current views on an appropriate 'spending rate' to preserve capital in the endowment. This year £503k was transferred, representing 3% (compared with transfers of 3% in 20/21, 19/20 and 18/19, 3.69% in 17/18, 4% in 16/17 and 5% in 15/16).

**Donations and new endowments - £4.781m** (£1.739m) 175% increase

Excluding the Colleges' Fund grant and release of income from earlier capital grants (deferred capital), donations and new endowments increased by 450% as a result of the very significant donation detailed below.

Donations and pledges came from 415 supporters (404 donors last year). The College raised £13.23 for every £1 spent on fundraising (2020-21 £5.05) 7.9% of contactable alumnae made a gift (2020-21 9.2%) and 130 supporters gave to Lucy for the first time (2020-21 160). The College received regular gifts by Direct Debit, Standing Order or Recurring Cambridge in America gifts from 93 donors (2020-21 85). 4.5% of philanthropic funds raised were from former students, 89.2% of philanthropic funds raised were from other individuals and 6.3% of philanthropic funds raised were from organisations (trusts, foundations, corporates). In 2020-21 the comparative ratios were 17% from former students, 63% of philanthropic from other individuals and 20% of philanthropic funds raised were from organisations (trusts, foundations, corporates).
There are 108 members of the College's Legacy giving circle, the Anna Bidder Society, with 7 new members gained during the period.

Benefactions from individuals to support student bursaries, scholarships and prizes included the very significant gift of £2.6m from Christina and Peter Dawson. A pledge of £150k was made from Dr Jackie Spayne and David Leith to establish the Lucy Cavendish – Trinity Global Health Studentship – the first of five students at Lucy will arrive in autumn 2022.
£12k from Emeritus Fellow Lindsey Traub. The late Lady Grantchester bequeathed £20k to fund the Betty Grantchester Studentship for four years, while the late alumna Alex Saville bequeathed £5k to fund the Alex Saville Bursary for one year.

£5k was received from Joshua Blakey, for the Blakey Mentoring Programme. Other generous donations include: £30k from College President Professor Dame Madeleine Atkins; £15k from Emeritus Fellow Dr Lindsay Traub and £10k each from former President Baroness Perry of Southwark, Senior Associate Dr Jean Wilson MBE and her husband Professor Norman Hammond, Keith Maddocks and alumna Dr Alison Rylands. Other significant donations were received from alumna Dr Jane Dominey and her husband Jim Warwick, Emeritus Fellow Dr Ruth Jones, Fellow-Commoner Dr Lorna Williamson and alumna Frances Griffiths.

Giving Week, which took place during May, raised £138,960, of which £68,000 was raised in advance as match funding (2020-21 £160k). All members of the Lucy community were represented among the donors.

New relationships with corporate partners, trusts and foundations were formed and existing relationships strengthened. £200k was received from the Wolfson Foundation as a contribution to the College's New Building, alongside £5k from SDC (the building's contractors). A further gift of £52,500 was received from the Ernest Hecht Charitable Foundation to support the College's outreach activities.

Philanthropy ensured significant enhancement to the Lucy Cavendish Life Sciences Community with philanthropic support totalling £53,000. Just over £30,000 of this was used to support the programme and support STEMM students. Existing members Abzena, AstraZeneca, Babraham Research Campus Phoremost were joined by Alchemab Therapeutics, Adrestia Therapeutics and Domainex.

£28k was received from Santander Universities and £10k from Seamark PLC/Iqbal Bros Foundation. Peters Fraser and Dunlop (PFD) continued its sponsorship of the successful Lucy Cavendish Fiction Prize and Cambridge Precision Limited generously funded the College's LucEnt Programme (for enterprise initiatives).

Unrestricted gifts are particularly appreciated and are allocated to areas of greatest need or to the endowment, the income from which supports all College activities. This year Humphrey Battcock and Colm Kelleher made significant unrestricted gifts. As ever, the grant from the Colleges' Fund of £1.203m was very much welcomed also.

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

**Other income - £165k** (343k) 52% decrease
This heading covers receipts from photocopying, merchandise and fees from Visiting Fellows. As in 2019/20 and 2020/21 it also includes amounts claimed under the Coronavirus Job Retention Scheme totalling (20/21 £246k and19/20 £155k) to support those staff who were placed on furlough during the year as a result of the reduction in the College's operations due to COVID-19.

**Expenditure**

Expenditure has increased by 38% overall (20/21 1% increase).

**Education expenditure - £3.940m** (£2.801m) 41% increase
There has been an overall increase in education costs with greater expenditure particularly in the areas of teaching, tutorial, admissions, scholarships and awards (including the College's share of the Cambridge Bursary scheme) and educational facilities as the numbers of students in the College significantly increased compared to the previous year.

In common with all Cambridge colleges there is a shortfall on the core education accounts (fee income set against educational expenditure) of £645k compared with £490k in 2020/21

**Residences, catering & conference costs - £4.291m** (£3.155m) 36% increase
There have been increases in all expenditure under this heading. The college continues to rent rooms from St John's College at Mount Pleasant Halls, from Westminster College and from Collegiate at Castle Street. In most instances the rental agreements are for 52 weeks meaning that the College has to pay rent for the full year even when the students' licences are for shorter periods or when the rooms are not let.

Although the College's combined 'Residences, Catering and Conferences' income has increased as previously detailed (£3.19m compared with £1.667m in 2020/21) this has not covered the full costs of providing accommodation and catering. These expenditure figures represent a full cost allocation including all overheads. The overall deficit for the year on Residences, Catering and Conferences was £1.1m and although this represents an improvement on the overall deficit of £1.49m in 20/21 this last was worse because of the impact of Covid, particularly the associated refunds and reductions offered to students.

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

**Balance Sheet**

The Balance Sheet shows a Net Current Asset position at the year-end of £1.744m (20/21 £427k).

**Non-current assets**

Non-current assets total £62.468m (20/21 £54.18m). These include Tangible Assets of £44.79m (20/21 £36.53m) including properties, furnishings, I.T. and other equipment. Investments of £17.68m (20/21 £17.656m) make up the balance of the non-current assets. This year the total capital investment in new Tangible Assets was £8.93m (20/21 £1.98m) whilst after disposals and depreciation there was an overall increase of £8.258m (20/21 £138k). The increase primarily relates to the consolidated cost of freehold buildings and assets in construction (£8.751m) associated with the College's expenditure on its onsite development (£1.9m), Despite additions of around £1.2m(20/21£1.1m) and an increase in cash held by the investment managers of around £1m (20/21 decrease of £146k), the value of investment assets at £17.681m has remained very similar to last year (20/21 £17.656m), primarily through a£2.219m loss on revaluation (20/21 gain of £2.386m). At 30 June 2022, the College had drawn down a total of £10.396m from a £16m loan facility provided by the University of Cambridge to fund the new building on the College's main site.

**Reserves**
The consolidated reserves stand at £46.782m up from £46.052m in the 2020/21 accounts.

All income and expenditure, however derived, goes through the Statement of Comprehensive Income and Expenditure so the total movement on reserves is equivalent to the comprehensive income (or expenditure) in the year. Thus, the consolidated comprehensive income of £732k (20/21 comprehensive income of £1.715m) is also the decrease/increase in consolidated net assets and in consolidated reserves.

Of the total reserves at 30 June 2022 65% is held in unrestricted funds, 8% in restricted (only to be used for specific purposes according to donors' wishes) and 27% in endowed funds (capital to be retained and income only to be spent). This compares with 64%, 3% and 33% in the comparative figures at 30 June 2021.

During 2021/22 consolidated unrestricted funds increased from £29.285m to £30.188m (College unrestricted funds increased from £29.343m to£30.414m) whilst total endowment funds fell from £15.319m to£13.02m. Restricted reserves increased from £1.448m to£3.574m.

**Reserves policy**

A high level of capital is required for the College to fulfil its role within the University and thrive over the long term. Capital is needed to build and replace operational buildings and to provide income to meet operational expenses, of which the largest single element is salaries for academic and non-academic staff. It is worth noting that the total value of Tangible Assets at £44.788m exceeds the value of the consolidated unrestricted funds at £30.188m so there are essentially no quickly available 'free reserves'. All Cambridge Colleges take an intergenerational equity view of their reserves and Lucy Cavendish, too, seeks to maintain an equitable balance between the needs of its present members and those of future generations and must therefore seek to maintain its endowment reserves over the longer term.

The College relies on the total return from its investments both to fund the difference between its annual expenditure and operating income and to maintain the real value of its assets and future income. The College seeks to maintain its reserves at a level that generates a total return sufficient to meet these objectives over the long term. The Reserves Policy does not preclude the Governing Body authorising a reduction in the reserves if it wishes to implement specific initiatives that are likely to accelerate the fulfilment of the College's strategic objectives.

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

**Cashflow**

Operating cash levels are generally held at low levels and historically cashflow has required very careful management. Cashflow has steadily improved over recent years with increased income and tighter credit control and that is predicted to continue as an outcome in the financial modelling. In this year, net cashflow was supported by the operational use of the Colleges' Fund (£1.203m) and also by drawing down on the Loan Facility from the University for the Phase 1 building (£8.396m drawn down in the year). Net cash inflow from operating activities in 2021/22 was positive at £3.664m (2020/21£1.69m). However, this sum includes the very significant donation of £2.6m which is intended to support expenditure over the next ten years.

Cash totalling £1.624m (20/21 £1.169m) was also used in capital expenditure, purchase of investments and to pay interest on loans but the overall position was an inflow of £2.04m (2020/21 519k),

**Staff costs and pensions**

The College makes pension fund contributions on behalf of its employees to Universities Superannuation Scheme (USS), with some contributions towards the defined benefit part of the scheme and some towards the defined contribution part of the scheme, and to a defined contribution scheme with NOW pensions. The College previously contributed to another defined benefit scheme, the Cambridge Colleges Federated Pension Scheme but it no longer has any active members in this scheme. However, the College continues to make payments to this scheme in order to contribute to the deficit which it has accrued. Total staff costs increased significantly during the year with £3.582m in 21/22 compared with £2.553m in 20/21. A major element of this relates to the increase in USS pension provision following the last actuarial valuation at March 2020 which was concluded too late to be included in in the 20/21 accounts. Total pension costs in 21/22 were £880k compared with £370k in 20/21. Total average staff (academic and non-academic) numbers rose from 83 to96 (FTE 50.94 to 64.10), reflecting some investment in new posts as the student numbers increased and return to more usual catering activities during the year with fewer Covid restrictions. There was a general pay increase of 2% for most employees (20/21 pay freeze). These figures also include the costs of teaching provided by those not directly employed by the College and these costs rose from £112k to £166k as was expected with the increase in student numbers.

**Employees**

No trustees are paid for being a trustee but in order to fulfil its charitable purposes, the College employs some Fellows as College Lecturers, Supervisors, Directors of Studies, Tutors and senior Administrative Officers (all of whom, along with the President are charity trustees as members of the Governing Body).The employment of the President and Fellows is undertaken with the intention of furthering the College's objectives and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows through salaries, stipends and employment-related benefits is objectively reasonable, measured against academic stipends generally, and indeed is generally modest when compared with those of other colleges in Cambridge. Without the employment of Fellows, the College could not fulfil its charitable aims as a College within the University of Cambridge. In addition to the President, the total number of Fellows in the year was 48 (20/21 50). The College also employs a further 66 (20/21 59) members of staff and engages other casual staff as necessary to provide the professional and service support necessary to run the College. Salaries and remuneration are reviewed annually by the Salaries & Remuneration Committee, the majority of whose members are Fellows in the College who do not receive a stipend together with external members who are completely independent of the College.

**Maintenance of buildings and capital expenditure**

Total capital expenditure during the year was £8.93m (20/21 £1.979m). £8.751m (20/21 £1.889m) of this related to the consolidated cost of freehold buildings and assets in construction associated with the College's expenditure on its onsite development. Other expenditure included general refurbishment in accordance with a programme of planned maintenance, improvements to our Library to create new study and teaching spaces, the purchase of Library books, planned upgrades for IT systems, equipment and infrastructure and a new fire suppression system for our kitchen.

**Risk management**

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

The key principles to support the delivery of our risk management approach are outlined below:
• It is the responsibility of all staff to ensure they understand and comply with policies and their risk management roles and responsibilities.
• Risk management awareness and training will be provided to all staff as appropriate to their roles and responsibilities.
• Risk management is not a stand-alone activity that is separate from the College's main activities. It is embedded in key processes and at decision-making points (e.g. strategic and operational planning).
• The College has a register of strategic risks that describes and categorises risks according to their likelihood and impact.

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

**Principal risks and uncertainties**

During the last financial year, the world began to emerge from the most onerous restrictions of the Covid pandemic such that nearly all students were able to be physically in Cambridge and the College was able to return to more normal provision in most areas of its work. Covid-related controls still remain in some places in the world and as we move into the autumn months there is some uncertainty about whether a further wave of infection might occur, but the existence of vaccines and boosters, together with the experiences gained of how to manage activities appropriately to minimize the spread of infection mean that the College is in a reasonable place to cope with any recurrence. Whilst the main areas of the College's work, namely teaching, learning and research have been more or less back to normal, it is still a little more uncertain whether our previous conference trade will bounce back completely - we rely on this to fill our accommodation and use our services when most of the students are not present. We are not yet back up to trading levels pre-pandemic, but there have been positive signs over this summer with some summer schools and other events taking place and a clear indication that the virtual world has not completely taken over from people wanting to gather together.

However, beyond the pandemic, the world is currently facing considerable uncertainties and challenges: firstly, the impact of the Russian invasion and subsequent war in Ukraine; and secondly, the climate emergency which is now more regularly leading to drought and floods. There was already economic fall-out from the pandemic but both of these have also significantly affected the economy and individuals leading to rising energy costs, goods shortages, trade barriers and changes to labour patterns with increased wage demands. In the UK in July 2022 inflation (CPI) was at a 40 year high of 10.1% and is predicted to rise further into next year, with some commentators suggesting that it might exceed 20%. It is clear that cost of living considerations for the College, its staff and students are likely to be foremost in the next year.

As before, the main overall risk remains the College's relative under-endowment: inevitably a smaller pool of investments, no matter how well employed, yields a smaller overall return. This has an impact in many ways. The return on endowment/investments is critical to all Cambridge colleges in allowing them to support the wider operations and activities of the College and, in particular, to bridge the gap between fee income received and the full costs of education. Critically, for this College a larger endowment with greater return would provide regular ongoing funds to offer greater support to our students in meeting living costs – in practice, many other colleges are able to subsidise these to an extent that we simply cannot afford to do. It would also enable us to undertake more investments in infrastructure and develop new services to keep the College moving forward in the much longer term. Importantly, in the current uncertain political and economic circumstances, a larger endowment would also offer greater resilience against the impact of fluctuations in the international, national and local landscape in which we operate. Beyond the uncertainties affecting the whole world, there remain uncertainties about the Higher Education fees and funding regime in the UK and elsewhere which could affect the numbers and types of students who come to the University of Cambridge and therefore to this College. At a more local level, whilst the College is responsible for admitting its undergraduates, the University admits the postgraduate students and ensuring that colleges' and University plans align can be challenging. In recent years, the balance of students in the College has shifted so that in June 2022 we had about 39% undergraduates and 61% postgraduates (June 2021 38% and 62%).

An ongoing focus on cost control and a commitment to efficient management of resources and value for money also remains important. However, these alone will not address the College's sustainability. In order to provide the appropriate support and facilities for our current students and to safeguard the College's future we must also continue to undertake planned growth and invest in capital, including new technologies to achieve better productivity. Income generation is as critical as cost control. Hence growth in student numbers, continuing to charge appropriate economic rates for accommodation and other services, rebuilding our conference and other income-generating activities as soon as possible, ambitious fundraising to augment the endowment and to allow the College to offer increased support for our students and sound investment management all have a crucial role to play in securing the College's future.

In terms of expenditure, there remains considerable upward pressure as student expectations rise, requiring the College to deliver even more effectively in all areas: from teaching and pastoral support to accommodation, housekeeping, catering and IT provision. Legal and compliance issues increasingly require the College to devote more of its resources to ensuring that requirements are met. Equally, there is continuing pressure in several areas for the College to pay its fair share of inter-college and collegiate University costs with previous subsidies for less well-endowed colleges being tapered and gradually removed. Finally, in order to continue to meet our aspiration of ensuring that talented students from non-traditional backgrounds can come to the College and complete their studies at Cambridge irrespective of means, there remains a great need for student bursaries and hardship funds. As our student body changes with a larger number coming from groups that have been traditionally under-represented in Cambridge, we can see that there is increased pressure to offer more support even beyond the Cambridge Bursary scheme. In the meantime, the support that we have received from donors for student bursaries has been particularly valuable this year and we, and our students, are grateful for such generosity.

**Plans for the future**

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

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

Madeleine S. Atkins

Professor Dame Madeleine Atkins
**President**
Date: 1st December 2022

L M Thompson

Mrs Lesley Thompson
**Bursar**
Date: 1st December 2022

# Corporate Governance

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

2. The College is a registered charity, registration number 1137875, and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

3. The President and Fellows in Classes A, B and C constitute the Governing Body of the College. The Governing Body is constituted and regulated in accordance with the College statutes and is the body responsible for the strategic direction of the College. Members of the Governing Body are also the Trustees of the charity and are listed on page 2. Student representatives and Visiting Fellows are invited to Governing Body meetings for unreserved business and Fellows in Class D (research fellows) attend the unreserved and reserved meetings as observers. There is usually one formal Governing Body meeting and one informal meeting per term, together with the Audit meeting during the Michaelmas term at which the audited accounts are approved.

4. Ongoing administration and management of the finances and assets of the College is carried out by the College Council which is composed ex officio of the senior officers (see below) together with six elected GB members, two student representatives and one staff representative. Council meets three times during term time and just before and after term as necessary.

   **Membership of the Council during the Financial Year 2021-22:**
   Professor Dame Madeleine Atkins, President, ex officio
   Professor Henriette Hendriks, Vice-President, ex officio
   Mrs Lesley Thompson, Bursar, ex officio
   Dr Jane Greatorex, Senior Tutor, ex officio
   Ms Alison Vinnicombe, Secretary to the Council, ex officio
   Mrs Christine Houghton
   Dr Mark King
   Dr Eileen Nugent
   Dr Alex Freer
   Ms Suzanne Tonkin
   Dr Patricia Alireza

5. There are a small number of committees and working groups which report to Governing Body and/or Council, including an Audit Committee.

6. It is the duty of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal, to monitor the implementation of recommendations made by the auditors; to make an annual report to the Trustees.

7. The principal officers of the college are:

| | |
|---|---|
| **President** | Professor Dame Madeleine Atkins |
| **Vice President** | Professor Henriette Hendriks |
| **Senior Tutor** | Dr Jane Greatorex, Senior Tutor |
| **Bursar** | Mrs Lesley Thompson MA FCA |

Delegated authority is given to them during the Long Vacation.

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

9. The College's Trustees during the year ended 30 June 2022 are set out on page 2.

10. Statement of Internal Control

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

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

    The systems of internal control are designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

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

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

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

11. Financial management and control

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

## Responsibilities of the Trustees

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

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

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

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

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

# Independent Auditors' Report to the Trustees of Lucy Cavendish College

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

- give a true and fair view of the state of the group's and College's affairs as at 30 June 2022, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

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

**Conclusions relating to going concern**
In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**
The other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify

such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
We have nothing to report in this regard.

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

**Responsibilities of trustees**
As explained more fully in the trustees' responsibilities statement set out on page 25, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the trustees are responsible for assessing the group's and College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the College or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**
We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:
We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the College this included data protection, health and safety, employment law and financial reporting.
The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness. We reviewed systems and procedures to identify potential areas of management override risk.

- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates

- We reviewed minutes of governing body meetings and agreed the financial statement disclosures to underlying supporting documentation.

- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.

- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the trustees.

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

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

**Use of our report**

This report is made solely to the College's trustees, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP

**Price Bailey LLP**
**Chartered Accountants and Statutory Auditors**

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 21 December 2022

# Statement of Principal Accounting Policies

## Basis of preparation

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

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

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

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

## Basis of accounting

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

## Basis of consolidation

The consolidated financial statements include the financial statements of The College and its subsidiary undertakings for the year ended 30th June 2022. Details of the subsidiary undertakings included are set out in note 24. Intra-group balances are eliminated on consolidation.

The activities of student societies have not been consolidated.

## Recognition of income

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

**Grant income**
Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Amounts receivable, in the year, from the government's corona virus job retention scheme was £40,366.

**Donations and endowments**
Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

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

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

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

## Investment income and change in value of investment assets

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

## Total return

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

## Other income

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

## Cambridge Bursary Scheme

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

The net payment of £82,832 (2021: £55,767) is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

| | |
|---|---|
| Income (see Note 1) | £383,473 (2021: £289,517) |
| Expenditure | £466,305 (2021: £345,284) |

## Going concern

As part of its development plans, the College has undertaken additional budgeting, forecasting and cash flow planning which is reviewed and monitored by the Finance and Investment Committee, Council and Governing Body. The 30 year financial modelling undertaken in support of the College's expansion plans was stress tested based on a number of scenarios and scrutinised by the University in assessing its decision to offer a loan facility of £16m to the College. In addition, the guarantee of an award next year of at least 65% of the 2020/21 College's Fund grant together with the agreement that it may once again be used for operational purposes gives confidence to the Trustees that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future. The College has therefore continued to adopt the going concern basis in preparing the financial statements.

## Tangible fixed assets

### a. Land and buildings

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

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

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

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

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

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

### b. Maintenance of premises

The cost of refurbishment is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs.

Refurbishments which provide significantly enhanced facilities and benefits and cost above £10,000 are capitalised and depreciated over 5 years / their useful economic life according to the asset classification. Maintenance costs are expensed through the income and expenditure account each year and the College sets aside sums periodically to meet future maintenance costs.

**c. Furniture, fittings and equipment**

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

| | |
|---|---|
| Furniture and fittings | 5 years |
| Information Technology | 3 years |
| Kitchen equipment | 3 years |
| Library books | 40 years |
| General mechanical equipment | 3 years |
| Air conditioning units | 10 years |

**d. Leased assets**

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

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

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

**e. Heritage Assets**

The College does not currently hold any heritage assets.

## Investments

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

Silver, works of art and other assets not related to education are valued at insurance value.

## Stock

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

### Provisions

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

### Contingent liabilities and assets

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

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

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

### Current Assets and Liabilities

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

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

**Creditors:** Short term creditors are measured at the transaction price

### Financial instruments

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

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

### Financial assets

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

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

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Please see note 9 where market value and cost are recorded. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

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

### Financial Liabilities

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

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year 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.

## Legacy accounting policy

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

## Taxation

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

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

## Contribution under Statute G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

## Employment benefits

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

## Reserves

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

## Pension schemes

The College participates in the Universities Superannuation Scheme. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee –administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set.

The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan), that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values

The fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

### NOW pension

The College operates an insured money purchase pension scheme for its staff. The assets of the scheme are held separately from those of the College.

The College's contributions to the scheme amounted to £60,533 (2021: £46,597), with contributions of £10,177 (2021 £6,875), outstanding at the balance sheet date.

The College operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

### Critical accounting judgements

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

Management 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 8.

### Recoverability of debtors

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

### Retirement benefit obligations

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

Management 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 2022. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 23.

## Consolidated Statement of Comprehensive Income and Expenditure

| Year ended 30th June 2022 | | 2021-22 | | | | 2020-21 | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Unrestricted | Restricted | Endowment | Total | Unrestricted | Restricted | Endowment | Total |
| **Income** | Note | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Academic fees and charges | 1 | 3,295 | - | - | 3,295 | 2,312 | - | - | 2,312 |
| Accommodation, catering and conferences | 2 | 3,190 | - | - | 3,190 | 1,667 | - | - | 1,667 |
| Investment income | 3 | 25 | - | 360 | 385 | 14 | - | 302 | 316 |
| Endowment return transferred to income and expenditure account | 3 | 313 | 190 | (503) | 0 | 298 | 128 | (426) | - |
| Other Income including furlough grants | | 164 | 0 | 0 | 164 | 343 | - | - | 343 |
| **Total income before donations and endowments** | | **6,987** | **190** | **(143)** | **7,034** | **4,634** | **128** | **(124)** | **4,638** |
| Donations | | 510 | 3,068 | - | 3,578 | 297 | 354 | - | 651 |
| Grant from Colleges Fund | | 1,203 | - | - | 1,203 | 1,088 | - | - | 1,088 |
| Other capital grants for assets | | - | - | - | 0 | - | 1 | - | 1 |
| **Total income** | | **8,700** | **3,259** | **(143)** | **11,815** | **6,019** | **483** | **(124)** | **6,378** |
| **Expenditure** | | | | | | | | | |
| Education | 4 | 3,097 | 843 | - | 3,940 | 2,533 | 268 | - | 2,801 |
| Accommodation, catering and conferences | 5 | 4,291 | - | - | 4,291 | 3,155 | - | - | 3,155 |
| Other expenditure | | 311 | - | 93 | 404 | 221 | - | 82 | 303 |
| **Total expenditure** | 6 | **7,699** | **843** | **93** | **8,635** | **5,909** | **268** | **82** | **6,259** |
| **Surplus/(deficit) before gains and losses** | | **1,001** | **2,416** | **(236)** | **3,180** | **110** | **215** | **(206)** | **119** |
| (Loss)/Gain on disposal of fixed assets | 8 | - | - | - | - | (1,102) | - | - | (1,102) |
| (Loss)/Gain on investments | 9 | (128) | (286) | (2,063) | (2,477) | 87 | (5) | 2,584 | 2,666 |
| **Surplus/(deficit) for the year** | | **873** | **2,129** | **(2,299)** | **703** | **(905)** | **210** | **2,378** | **1,683** |
| **Other comprehensive income** | | | | | | | | | |
| Actuarial (Loss)/gain in respect of pension schemes | 15 | 29 | - | - | 29 | 32 | - | - | 32 |
| **Total comprehensive income for the year** | | **902** | **2,129** | **(2,299)** | **732** | **(873)** | **210** | **2,378** | **1,715** |

The notes on pages 38 to 64 form part of these financial statements

## Year ended 30th June 2022

| | Income and expenditure reserve | | | Total |
|---|---|---|---|---|
| | Unrestricted | Restricted | Endowment | |
| | £000 | £000 | £000 | £000 |
| **Balance at 1 July 2021** | 29,285 | 1,448 | 15,319 | 46,052 |
| Surplus from income and expenditure statement | 873 | 2,129 | (2,299) | 703 |
| Other comprehensive income | 29 | - | - | 29 |
| Release of restricted capital funds spent in the year | 3 | (3) | - | - |
| **Balance at 30 June 2022** | **30,190** | **3,574** | **13,020** | **46,784** |

| | Income and expenditure reserve | | | Total |
|---|---|---|---|---|
| | Unrestricted | Restricted | Endowment | |
| | £000 | £000 | £000 | £000 |
| **Balance at 1 July 2020** | 30,151 | 1,245 | 12,941 | 44,337 |
| Surplus from income and expenditure statement | (905) | 210 | 2,378 | 1,683 |
| Other comprehensive income | 32 | - | - | 32 |
| Release of restricted capital funds spent in the year | 7 | (7) | - | - |
| **Balance at 30 June 2021** | **29,285** | **1,448** | **15,319** | **46,052** |

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

The notes on pages 38 to 64 form part of these financial statements

## Consolidated and College Balance Sheet – As at 30th June 2022

| | Note | 2022 Consolidated £000 | 2022 College £000 | 2021 Consolidated £000 | 2021 College £000 |
|---|---|---|---|---|---|
| **Non-current Assets** | | | | | |
| Tangible Assets | *8* | 44,788 | 45,012 | 36,528 | 36,586 |
| Investments | *9* | 17,682 | 17,682 | 17,656 | 17,656 |
| **Total non-current assets** | | 62,470 | 62,694 | 54,184 | 54,242 |
| **Current Assets** | | | | | |
| Stock | 10 | 19 | 19 | 19 | 19 |
| Trade and other receivables | 11 | 580 | 911 | 280 | 406 |
| Cash and cash equivalents | 12 | 3,406 | 2,962 | 1,362 | 1,241 |
| **Total current assets** | | 4,005 | 3,892 | 1,661 | 1,666 |
| **Creditors: amounts falling due within one year** | 13 | (2,261) | (2,148) | (1,234) | (1,239) |
| **Net current assets** | | **1,744** | **1,744** | **427** | **427** |
| **Creditors: amounts falling due after more than one year** | 14 | (16,440) | (16,440) | (8,044) | (8,044) |
| **Provisions** | | | | | |
| Pension provisions | 15 | (990) | (990) | (515) | (515) |
| **Total net assets** | | **46,784** | **47,008** | **46,052** | **46,110** |
| **Restricted reserves** | | | | | |
| Income and expenditure reserve - endowment reserve | 16 | 13,020 | 13,020 | 15,319 | 15,319 |
| Income and expenditure reserve - restricted reserve | 17 | 3,574 | 3,574 | 1,448 | 1,448 |
| **Total restricted reserves** | | **16,594** | **16,594** | **16,767** | **16,767** |
| **Unrestricted reserves** | | | | | |
| Income and expenditure reserve - unrestricted | | 30,190 | 30,414 | 29,285 | 29,343 |
| **Total unrestricted reserves** | | **30,190** | **30,414** | **29,285** | **29,343** |
| **Total reserves** | | **46,784** | **47,008** | **46,052** | **46,110** |

The financial statements were approved by Governing Body on 22nd November 2022 and signed on its behalf by:

Madeleine S. Atkins

Professor Dame Madeleine Atkins
**President**

LM Thompson

Mrs Lesley Thompson
**Bursar**

The notes on pages 38 to 64 form part of these financial statements.

## Consolidated Statement of Cash Flows for the year ended 30 June 2022

| | Note | 2022<br>£000 | 2021<br>£000 |
|---|---|---|---|
| Net cash inflow from operating activities | 19 | 3,661 | 1,628 |
| Cash flows from investing activities | 20 | (9,751) | (2,840) |
| Cash flows from financing activities | 21 | 8,128 | 1,732 |
| **Increase/(decrease) in cash and cash equivalents in the year** | | 2,038 | 520 |
| | | | |
| Cash and cash equivalents at the beginning of the year | | 1,362 | 842 |
| Cash and cash equivalents at the end of the year | 12 | 3,400 | 1,362 |

# Notes to the Accounts

## 1 Academic fees & charges

| | Per capita fee | 2022 £,000 | 2021 £,000 |
|---|---|---|---|
| Fee income received at the Regulated Undergraduate rate | £4,625 | 969 | 601 |
| Fee income received at the Unregulated Undergraduate rate | £8,280, £8,700, £9,360, £10,200 BTh £609 | 545 | 308 |
| Fee income received at the Graduate rate | £4,472 | 1,391 | 1,113 |
| Other fee income received | | 7 | |
| **Total** | | **2,912** | **2,022** |
| Cambridge bursary income | | 383 | 290 |
| **Total** | | **3,295** | **2,312** |

## 2 Income from accommodation, catering and conferences

| | | 2022 £,000 | 2021 £,000 |
|---|---|---|---|
| Accommodation | College members | 2,950 | 1,576 |
| | Conferences | 55 | 2 |
| Catering | College members | 150 | 89 |
| | Conferences | 35 | 0 |
| **Total** | | **3,190** | **1,667** |

## 3 Endowment return and investment income

### 3a Analysis

| | 2022 £,000 | 2021 £,000 |
|---|---|---|
| Total return contribution (see note 3b) | 503 | 426 |
| **Income from:** | | |
| Quoted securities | 503 | 426 |
| **Total** | **503** | **426** |

### 3b Summary of total return

| | 2022 £,000 | 2021 £,000 |
|---|---|---|
| **Income from:** | | |
| Quoted and other securities and cash | 385 | 316 |
| **Total income** | **385** | **316** |
| **(Losses)/gains on endowment assets:** | | |
| Quoted and other securities and cash | (2,525) | 2,654 |
| **(Losses)/gains on endowment assets** | **(2,525)** | **2,654** |
| Investment management costs (see note 3c) | (93) | (82) |
| **Total return for the year** | **(2,233)** | **2,888** |
| Total return transferred to income & expenditure reserve (see note 3a) | 503 | 426 |
| **Unapplied total return for year included within statement of Comprehensive Income and Expenditure (see note 18)** | (2,736) | 2,462 |

| 3c | Investment management costs | 2022 | 2021 |
|---|---|---|---|
| | | £,000 | £,000 |
| | Quoted securities | (93) | (82) |
| | **Total** | **(93)** | **(82)** |

**Other income**

Includes £40k receivable from the Government's Corona Virus Job Retention Scheme (2021: £246k)

| 4 | Education Expenditure | | |
|---|---|---|---|
| | Teaching | 1,285 | 1,021 |
| | Tutorial | 911 | 487 |
| | Admissions | 584 | 442 |
| | Research | 146 | 134 |
| | Scholarships & Awards | 397 | 261 |
| | Cambridge bursary awards | 466 | 345 |
| | Other Educational Facilities | 151 | 111 |
| | | **3,940** | **2,801** |

| 5 | Accommodation, catering and conferences expenditure | | | |
|---|---|---|---|---|
| | Accommodation | College members | 3,968 | 2,983 |
| | | Conferences | 75 | 3 |
| | Catering | College members | 201 | 169 |
| | | Conferences | 47 | 0 |
| | | | **4,291** | **3,155** |

**6a Analysis of 2021/22 expenditure by activity**

| | Staff costs (note 7) | Other Op Exps | Depreciation | 2022 |
|---|---|---|---|---|
| | £,000 | £,000 | £,000 | £,000 |
| Education | 1,854 | 1,927 | 159 | 3,940 |
| Accommodation, catering and conferences | 1,507 | 2,278 | 506 | 4,291 |
| Other | 221 | 182 | 1 | 404 |
| | **3,582** | **4,387** | **666** | **8,635** |

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

**6b Analysis of 2020/21 expenditure by activity**

| | Staff costs (note 7) | Other Op Exps | Depreciation | 2021 |
|---|---|---|---|---|
| | £,000 | £,000 | £,000 | £,000 |
| Education | 1,277 | 1,348 | 176 | 2,801 |
| Accommodation, catering and conferences | 1,126 | 1,471 | 558 | 3,155 |
| Other | 150 | 151 | 2 | 303 |
| | **2,553** | **2,970** | **736** | **6,259** |

Expenditure includes fundraising costs of £149,517 This expenditure excludes the costs of alumni relations.

## 6c Audit fees

| | 2022 | 2021 |
|---|---|---|
| Other operating expenses include: | £,000 | £,000 |
| Audit fees payable to the College's external auditors | 20 | 21 |
| | **20** | **21** |

## 7 Staff costs

| **Staff costs 2021-22** | **Academic £,000** | **Non Academic £,000** | **2022 £,000** |
|---|---|---|---|
| Salaries | 405 | 1,938 | 2,343 |
| National Insurance | 26 | 166 | 192 |
| Pension costs | 685 | 195 | 880 |
| External teaching costs | 166 | | 166 |
| **Total** | **1,282** | **2,299** | **3,581** |

| **Staff costs 2020-21** | **Academic £,000** | **Non Academic £,000** | **2021 £,000** |
|---|---|---|---|
| Salaries | 339 | 1,577 | 1,916 |
| National Insurance | 25 | 130 | 155 |
| Pension costs | 90 | 280 | 370 |
| External teaching costs | 112 | | 112 |
| **Total** | **566** | **1,987** | **2,555** |

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

| | **Average staff no 2022** | | **Average staff no 2021** | |
|---|---|---|---|---|
| | No. of fellows | FTE | No. of fellows | FTE |
| Academic | 25 | N/A | 19 | N/A |
| Non academic | 5 | 4.62 | 5 | 4.62 |
| **Total fellows** | 30 | 4.62 | 24 | 4.62 |
| Other non academic teaching staff | 66 | 59.48 | 59 | 46.31 |
| **Total fellows and staff** | **96** | **64.10** | **83** | **50.94** |

Average staff numbers does not include external teachers

At the Balance Sheet date there were 45 (2021: 50) members of the Governing Body. During the year the average number receiving remuneration was 22 fellows, 10 Bye fellows and one research fellow (2021: 20 + 2).

No officer or employee of the College, including the President, received emoluments of over £100,000

### 8 Key Management Personnel

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

| | 2022 | 2021 |
|---|---|---|
| | £,000 | £,000 |
| **Key Management Personnel** | 579 | 510 |

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

## 8a Fixed Assets - Consolidated

| | College Buildings inc assets under construction £,000 | Furniture & Equip £,000 | IT £,000 | Kitchen Equip £,000 | Library Books £,000 | Mech Equip £,000 | Total 2022 £,000 | Total 2021 £,000 |
|---|---|---|---|---|---|---|---|---|
| **COST/VALUATION** | | | | | | | | |
| At 1st July 2021 | 39,365 | 568 | 937 | 77 | 703 | 1,324 | 42,974 | 42,269 |
| Additions | 8,751 | 11 | 51 | 11 | 25 | 81 | 8,930 | 1,979 |
| Disposals at cost/valuation | - | - | - | - | (4) | - | (4) | (1,274) |
| Revaluation during the year | - | - | - | - | - | - | - | - |
| **Cost valuation at 30th June** | **48,116** | **579** | **988** | **88** | **724** | **1,405** | **51,900** | **42,974** |
| **DEPRECIATION** | | | | | | | | |
| At 1st July 2021 | 3,395 | 521 | 880 | 72 | 323 | 1,255 | 6,446 | 5,881 |
| Provided for the year | 485 | 23 | 52 | 7 | 18 | 82 | 667 | 736 |
| Eliminated on disposal | - | - | - | - | (1) | - | (1) | (171) |
| **Depreciation at 30th June** | **3,880** | **544** | **932** | **79** | **340** | **1,337** | **7,112** | **6,446** |
| **Net book value** | | | | | | | | |
| At 30th June 2022 | **44,236** | **35** | **56** | **9** | **384** | **68** | **44,788** | **-** |
| At 30th June 2021 | **35,970** | **47** | **57** | **5** | **380** | **69** | **-** | **36,528** |

The Insured Value of Freehold Land and Buildings as at 30th June 2022 was £28,387,764 (2021: £28,078,905)
The consolidated cost of freehold buildings and assets in construction consists of the costs incurred by the College less the surplus recorded in the accounts of Lucy Cavendish Estates Limited, a subsidiary undertaking, and eliminated on consolidation.

## 8b Fixed Assets - College Only

| | College Buildings inc assets under construction | Furniture & Equip | IT | Kitchen Equip | Library Books | Mech Equip | Total 2022 | Total 2021 |
|---|---|---|---|---|---|---|---|---|
| | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 | £,000 |
| **COST/VALUATION** | | | | | | | | |
| At 1st July 2021 | 39,423 | 568 | 937 | 77 | 703 | 1,324 | 43,032 | 42,291 |
| Additions | 8,917 | 11 | 51 | 11 | 25 | 81 | 9,096 | 2,015 |
| Disposals at cost/valuation | - | - | - | - | (4) | - | (4) | (1,274) |
| Revaluation during the year | - | - | - | - | - | - | - | - |
| **Cost valuation at 30th June** | **48,340** | **579** | **988** | **88** | **724** | **1,405** | **52,124** | **43,032** |
| **DEPRECIATION** | | | | | | | | |
| At 1st July 2021 | 3,395 | 521 | 880 | 72 | 323 | 1,255 | 6,446 | 5,881 |
| Provided for the year | 485 | 23 | 52 | 7 | 18 | 82 | 667 | 736 |
| Eliminated on disposal | - | - | - | - | (1) | - | (1) | (171) |
| **Depreciation at 30th June** | **3,880** | **544** | **932** | **79** | **340** | **1,337** | **7,112** | **6,446** |
| **Net book value** | | | | | | | | |
| At 30th June 2022 | **44,460** | **35** | **56** | **9** | **384** | **68** | **45,012** | **-** |
| At 30th June 2021 | **36,028** | **47** | **57** | **5** | **380** | **69** | **-** | **36,586** |

The Insured Value of Freehold Land and Buildings as at 30th June 2022 was £28,387,764 (2021: £28,078,905) The consolidated cost of freehold buildings and assets in construction consists of the costs incurred by the College less the surplus recorded in the accounts of Lucy Cavendish Estates Limited, a subsidiary undertaking, and eliminated on consolidation.

The cost of assets under construction at the balance sheet date was £11,977m (2020/21 £3,058m)

## 9 Investments

| | 2022 | 2021 |
|---|---|---|
| | £,000 | £,000 |
| Balance b/fwd 1st July | 17,656 | 14,268 |
| Gain on works of art/property | 22 | (29) |
| Additions | 4,162 | 3,651 |
| Disposals at open market value | (2,956) | (2,476) |
| Increase/(decrease) in cash held by fund managers | 1,017 | (146) |
| (Loss)/gain on revaluation | (2,219) | 2,386 |
| Balance c/fwd June | **17,682** | **17,656** |

| | 2022 | 2021 |
|---|---|---|
| | £,000 | £,000 |
| **Represented by:** | | |
| Other investments | 430 | 408 |
| Quoted securities - equities | 4,627 | 5,792 |
| Quoted securities - europe/overseas | 8,397 | 8,148 |
| Quoted securities - fixed interest | 2,244 | 2,343 |
| Cash in hand and at investment managers | 1,984 | 965 |
| | **17,682** | **17,656** |

**Historical cost of investments**

| | 2022 | 2021 |
|---|---|---|
| | £,000 | £,000 |
| Total historical cost of other investments | £357 | £357 |
| Total historical cost of investment portfolio | £15,590 | £12,237 |

| 10 | Stock | Consolidated 2022 £,000 | College 2022 £,000 | Consolidated 2021 £,000 | College 2021 £,000 |
|---|---|---|---|---|---|
| | Stock | **19** | **19** | **19** | **19** |

| 11 | Trade and other receivables | Consolidated 2022 £,000 | College 2022 £,000 | Consolidated 2021 £,000 | College 2021 £,000 |
|---|---|---|---|---|---|
| | Conference debtors control | 26 | 68 | 16 | 9 |
| | Members of the College | 39 | 39 | 13 | 13 |
| | Prepayments and accrued income | 356 | 356 | 243 | 260 |
| | Other | 159 | 448 | 8 | 125 |
| | | **580** | **911** | **280** | **407** |

| 12 | Cash | 2022 £,000 | 2022 £,000 | 2021 £,000 | 2021 £,000 |
|---|---|---|---|---|---|
| | Current Accounts | 3,382 | 2,937 | 1,361 | 1,240 |
| | Bank Deposits | 25 | 25 | - | - |
| | Cash | - | - | 1 | 1 |
| | | **3,407** | **2,962** | **1,362** | **1,241** |

| 13 | Creditors: amounts falling due within one year | 2022 £,000 | 2022 £,000 | 2021 £,000 | 2021 £,000 |
|---|---|---|---|---|---|
| | Trade Creditors | 893 | 793 | 441 | 66 |
| | University Fees | 387 | 387 | 6 | 6 |
| | Accruals and deferred income | 596 | 583 | 256 | 636 |
| | Members of the college | 226 | 221 | 125 | 125 |
| | Conference deposits | 12 | 17 | 2 | 2 |
| | Other | 147 | 147 | 404 | 404 |
| | | **2,261** | **2,148** | **1,235** | **1,241** |

| 14 | Creditors: amounts falling due after more than one year | 2022 £,000 | 2022 £,000 | 2021 £,000 | 2021 £,000 |
|---|---|---|---|---|---|
| | Private Placement Funding | 3,480 | 3,480 | 3,480 | 3,480 |
| | Private Placement Funding | 2,564 | 2,564 | 2,564 | 2,564 |
| | University loan | 10,396 | 10,396 | 2,000 | 2,000 |
| | | **16,440** | **16,440** | **8,044** | **8,044** |

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £6.044 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt. During 2020-21 the College agreed a loan facility of £16m with the University of Cambridge on which it had drawn down £10.4m at 30 June 2022. The College has been in compliance with the financial covenants associated with this loan throughout the period

| 15 Pension provisions | Consolidated 2022 | College 2022 | Consolidated 2021 | College 2021 |
|---|---|---|---|---|
| Balance at beginning of year | 515 | 515 | 512 | 512 |
| Movement in year: | | | | |
| Current service cost including life assurance | - | - | - | - |
| Contributions | (213) | (213) | (195) | (195) |
| Other finance (income)/cost | 9 | 9 | 12 | 12 |
| USS Actuarial (Loss)/gain recognised in SOCIE | 708 | 708 | 218 | 218 |
| CCFPS Actuarial (Loss)/gain recognised in SOCIE | (29) | (29) | (32) | (32) |
| **Balance at end of year** | **990** | **990** | **515** | **515** |

| | Consolidated 2022 | College 2022 | Consolidated 2021 | College 2021 |
|---|---|---|---|---|
| CCFPS | 66 | 66 | 96 | 96 |
| USS | 924 | 924 | 419 | 419 |
| **Total** | **990** | **990** | **515** | **515** |

## 16 Endowment funds 2021/22

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

| | Restricted permanent endowments | Unrestricted permanent endowments | 2022 | 2021 |
|---|---|---|---|---|
| **Balance at beginning of year:** | **£,000** | **£,000** | **£,000** | **£,000** |
| Capital | 4,727 | 10,592 | 15,319 | 12,941 |
| Transfer to general reserves | 0 | 25 | 25 | 14 |
| (Decrease)/increase in interest | 0 | (143) | (143) | (123) |
| Investment management charges | 0 | (93) | (93) | (82) |
| (Decrease)/increase in market value of investments | (733) | (1,355) | (2,088) | 2,569 |
| **Balance at end of year** | **3,994** | **9,026** | **13,020** | **15,319** |
| | | | | |
| **Represented by:** | | | | |
| Capital | 3,994 | 9,026 | 13,020 | 15,319 |
| | | | | |
| **Analysis by type of purpose:** | | | | |
| Fellowship funds | 1,175 | | 1,175 | 1,396 |
| Scholarship funds | 1,767 | | 1,767 | 2,097 |
| Prizes funds | 76 | | 76 | 90 |
| Hardship funds | 349 | | 349 | 417 |
| Travel grant funds | 2 | | 2 | 2 |
| Other funds | 625 | | 625 | 725 |
| General endowments | | 9,026 | 9,026 | 10,592 |
| **Total** | **3,994** | **9,026** | **13,020** | **15,319** |
| | | | | |
| **Analysis by asset:** | | | | |
| Investments | 3,994 | 9,026 | 13,020 | 15,319 |
| | **3,994** | **9,026** | **13,020** | **15,319** |

## 16 Endowment funds 2020/21

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

| | Restricted permanent endowments | Unrestricted permanent endowments | 2021 | 2020 |
|---|---|---|---|---|
| **Balance at beginning of year:** | **£,000** | **£,000** | **£,000** | **£,000** |
| Capital | 3,977 | 8,964 | 12,941 | 13,754 |
| New endowments received | - | - | - | 170 |
| Transfer to general reserves | - | 14 | 14 | - |
| (Decrease)/increase in interest | - | (123) | (123) | (52) |
| Investment management charges | - | (82) | (82) | (72) |
| Increase/(decrease) in market value of investments | 750 | 1,819 | 2,569 | (859) |
| **Balance at end of year** | **4,727** | **10,592** | **15,319** | **12,941** |
| | | | | |
| **Represented by:** | | | | |
| Capital | **4,727** | **10,592** | **15,319** | **12,941** |
| | | | | |
| **Analysis by type of purpose:** | | | | |
| Fellowship funds | 1,396 | | 1,396 | 1,170 |
| Scholarship funds | 2,097 | | 2,097 | 1,760 |
| Prizes funds | 90 | | 90 | 75 |
| Hardship funds | 417 | | 417 | 348 |
| Travel grant funds | 2 | | 2 | 2 |
| Other funds | 725 | | 725 | 622 |
| General endowments | | 10,592 | 10,592 | 8,964 |
| **Total** | **4,727** | **10,592** | **15,319** | **12,941** |
| | | | | |
| **Analysis by asset:** | | | | |
| Investments | 4,727 | 10,592 | 15,319 | 12,941 |
| | **4,727** | **10,592** | **15,319** | **12,941** |

## 17 Restricted reserves 2021/22

Consolidated and College reserves with restrictions are as follows:

| | Permanent unspent and other restricted income | Capital grants unspent | Other restricted funds/ donations | 2022 | 2021 |
|---|---|---|---|---|---|
| **Balance at beginning of year:** | | | | | |
| Capital | - | 5 | 411 | 416 | 154 |
| Accumulated income | 1,032 | | 0 | 1,032 | 1,091 |
| New grants | - | | | - | - |
| New donations | 2,635 | - | 433 | 3,068 | 354 |
| Investment income | 190 | | - | 190 | 128 |
| Increase/(decrease) in market value of investments | | | (289) | (289) | (4) |
| Capital grants utilised | - | (3) | - | (3) | (7) |
| Expenditure | (665) | - | (175) | (840) | (268) |
| **Balance at end of year** | **3,192** | **2** | **380** | **3,574** | **1,448** |
| | | | | | |
| **Analysis of other restricted funds/donations by type of purpose** | | | | | |
| Fellowship funds | 584 | | 6 | 590 | 578 |
| Scholarship funds | 289 | | 282 | 571 | 753 |
| Prizes funds | 19 | | 2 | 21 | 19 |
| Hardship funds | 17 | | 6 | 23 | 23 |
| Travel grant funds | - | | - | - | - |
| Other funds | 2,283 | | 84 | 2,367 | 70 |
| General | 0 | 2 | | 2 | 5 |
| **Total** | **3,192** | **2** | **380** | **3,574** | **1,448** |
| | | | | | |
| **Balance at end of year:** | | | | | |
| Capital | - | 2 | 380 | 383 | 416 |
| Accumulated income | 3,192 | - | - | 3,192 | 1,032 |
| **Balance at end of year** | **3,192** | **2** | **380** | **3,574** | **1,448** |

**17 Restricted reserves 2020/21**

Consolidated and College reserves with restrictions are as follows:

| | Permanent unspent and other restricted income | Capital grants unspent | Other restricted funds/ donations | 2021 | 2020 |
|---|---|---|---|---|---|
| **Balance at beginning of year:** | | | | | |
| Capital | - | 11 | 143 | 154 | 336 |
| Accumulated income | 1,091 | | - | 1,091 | 871 |
| New grants | - | | | - | - |
| New donations | 16 | 1 | 337 | 354 | 263 |
| Investment income | 128 | | - | 128 | 133 |
| (Decrease)/increase in market value of investments | | | (4) | (4) | (18) |
| Capital grants utilised | - | (7) | - | (7) | (1) |
| Expenditure | (203) | 0 | (65) | (268) | (339) |
| **Balance at end of year** | **1,032** | **5** | **411** | **1,448** | **1,245** |
| **Analysis of other restricted funds/donations by type of purpose** | | | | | |
| Fellowship funds | 570 | | 8 | 578 | 571 |
| Scholarship funds | 374 | | 379 | 753 | 514 |
| Prizes funds | 18 | | 1 | 19 | 24 |
| Hardship funds | 23 | | - | 23 | 48 |
| Travel grant funds | - | | - | - | - |
| Other funds | 47 | | 23 | 70 | 76 |
| General | - | 5 | | 5 | 12 |
| **Total** | **1,032** | **5** | **411** | **1,448** | **1,245** |
| **Balance at end of year:** | | | | | |
| Capital | - | 5 | 411 | 416 | 155 |
| Accumulated income | 1,032 | - | - | 1,032 | 1,090 |
| **Balance at end of year** | **1,032** | **5** | **411** | **1,448** | **1,245** |

**18 Memorandum 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 | 7,962 | 5,500 |
| Unapplied Total Return for year (see note 3b) | (2,736) | 2,462 |
| **Unapplied total return at year end** | **5,226** | **7,962** |

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

| | 2022 | 2021 |
|---|---|---|
| | £,000 | £,000 |
| Surplus for the year | 732 | 1,715 |
| **Adjustments for non-cash items** | | |
| Depreciation | 667 | 736 |
| (Decrease)/Increase in cash held by fund managers | (1,019) | 147 |
| Pension deficit Increase/(Decrease) | 475 | 3 |
| (Increase)/Decrease in Stocks | - | 2 |
| (Increase)/Decrease in Debtors | (300) | 185 |
| Increase/(Decrease) in Creditors | 1,026 | 143 |
| | 849 | 1,216 |
| **Adjustments for investing or financing activities** | | |
| Investment income from dividends/rents | (385) | (316) |
| Gains/(losses) on investments | 2,219 | (2,386) |
| | 1,834 | (2,702) |
| Interest payable -bond and loan | 268 | 268 |
| (Profit)/ Loss on the sale of fixed assets | (22) | 1,131 |
| | 246 | 1,399 |
| **Net cash inflow from operating activities** | 3,661 | 1,628 |
| **Cash flows from investing activities** | | |
| Investment income from dividends/rents | 385 | 316 |
| Purchase of investments | (4,162) | (3,651) |
| Sale of investments | 2,956 | 2,474 |
| Payments made to acquire fixed assets | (8,930) | (1,979) |
| **Total cash flows from investing activities** | (9,751) | (2,840) |
| **Cash flows from financing activities** | | |
| Interest payable - bond | (268) | (268) |
| New loan | 8,396 | 2,000 |
| Repayments of amounts borrowed | 0 | 0 |
| Capital element of finance lease rental payments | 0 | 0 |
| **Total cash flows from financing activities** | 8,128 | 1,732 |

## Consolidated reconciliation and analysis of net debt

| | At 1 July 2021 | Cashflows | Acq & disposal subs | New finance leases | Other non cash changes | Changes in market value and exch rates | At 30th June 2022 |
|---|---|---|---|---|---|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cash and cash equivalents | 1,362 | 2,044 | | | | | 3,406 |
| **Amounts falling due after more than one year:** | | | | | | | |
| University loan | 2,000 | 8,396 | | | | | 10,396 |
| Bond - Aviva | 1,959 | - | - | - | - | - | 1,959 |
| Bond - Canada Life | 1,521 | - | - | - | - | - | 1,521 |
| Bond - Pricoa | 2,564 | | - | - | - | - | 2,564 |
| **Total** | **8,044** | **8,396** | **-** | **-** | **-** | **-** | **16,440** |

## 22 Lease obligations

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

| | 2022 | 2021 |
|---|---|---|
| **Land and buildings:** | | |
| Expiring within one year | 2,307 | 1,772 |
| Expiring between two and five years | 1,937 | 3,264 |
| Expiring in over five years | - | - |
| | **4,244** | **5,036** |

## 23 Pension Schemes
**FRS 102 Section 28 Post Employment Benefits**

**Critical accounting judgements**

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

**Pension Costs**

The total cost charged to the profit and loss account is £204k (2021: £183k) as shown in Note 15.

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

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

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

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles **(uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).**

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

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

| | **2020 valuation** |
|---|---|
| Mortality base table | 101% of S2PMA "light" for males and 95% of S3PFA for females |
| Future improvements to mortality | CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females |

The current life expectancies on retirement at age 65 are:

| | **2022** | **2021** |
|---|---|---|
| Males currently aged 65 (years) | 23.9 | 24.7 |
| Females currently aged 65 (years) | 25.5 | 26.1 |
| Males currently aged 45 (years) | 25.9 | 26.7 |
| Females currently aged 45 (years) | 27.3 | 27.9 |

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

| | **2022** | **2021** |
|---|---|---|
| Discount rate | 3.31% | 0.78% |
| Pensionable salary growth | 3.00% | 3.20% |

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

The liabilities of the plan have been calculated, at 30 June 2022, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

| | **2022**<br>**% p.a.** | **2021**<br>**% p.a.** |
|---|---|---|
| Discount rate | 3.80 | 1.80 |
| RPI assumption | 3.45* | 3.40 |
| CPI assumption | 2.75 | 2.60 |
| Pension increases in payment (RPI Max 5% p.a.) | 3.30* | 3.30 |

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

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

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

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

| | **Male** | **Female** |
|---|---|---|
| Deferred Members – Option 1 Benefits | 63 | 62 |

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

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

| | **2022**<br>**£** | **2021**<br>**£** |
|---|---|---|
| Present value of plan liabilities | (358,720) | (443,198) |
| Market value of plan assets | 293,182 | 347,288 |
| Net defined benefit asset/(liability) | (65,538) | (95,910) |

The amounts to be recognised in Profit and Loss for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows.

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Current service cost | - | - |
| Administration Expenses | 4,378 | 4,154 |
| Interest on net defined benefit (asset)/liability | 1,687 | 1,884 |
| (Gain)/loss on plan changes | - | - |
| Curtailment (gain)/loss | - | - |
| Total | 6,065 | 6,038 |

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

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Present value of plan liabilities at beginning of period | 443,198 | 460,555 |
| Current service cost (including Employee contributions) | - | - |
| Employee contributions | - | - |
| Benefits paid | (11,064) | (10,643) |
| Interest on plan liabilities | 7,878 | 6,601 |
| Actuarial (gains)/losses | (81,292) | (13,315) |
| (Gain)/loss on plan changes | - | - |
| Curtailment (gain)/loss | - | - |
| Present value of plan liabilities at end of period | 358,720 | 443,198 |

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

| | 2022<br>£ | 2021<br>£ |
|---|---|---|
| Market value of plan assets at beginning of period | 347,288 | 330,644 |
| Contributions paid by the College | 7,768 | 7,544 |
| Employee contributions | - | - |
| Benefits paid | (11,064) | (10,643) |
| Administration Expenses | (4,613) | (3,804) |
| Interest on plan assets | 6,191 | 4,717 |
| Return on assets, less interest included in Profit & Loss | (52,388) | 18,830 |
| Market value of plan assets at end of period | **293,182** | **347,288** |
| Actual return on plan assets | (46,197) | 23,547 |

The major categories of plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

| | 2022 | 2021 |
|---|---|---|
| Equities | 52% | 48% |
| Bonds & Cash | 34% | 42% |
| Property | 14% | 10% |
| Total | 100% | 100% |

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

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

| | **2022**<br>**£** | **2021**<br>**£** |
|---|---|---|
| Return on assets, less interest included in Profit & Loss | (52,388) | 18,830 |
| Expected less actual plan expenses | (235) | 350 |
| Experience gains and losses arising on plan liabilities | (24,140) | 7,958 |
| Changes in assumptions underlying the present value of plan liabilities | 105,432 | 5,357 |
| Actuarial gain/(loss) recognised in OCI | 28,669 | 32,495 |

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

| | **2022**<br>**£** | **2021**<br>**£** |
|---|---|---|
| Net defined benefit asset/(liability) at beginning of year | (95,910) | (129,911) |
| Recognised in Profit and Loss | (6,065) | (6,038) |
| Contributions paid by the College | 7,768 | 7,544 |
| Re-measurement of net defined benefit liability recognized in OCI | 28,669 | 32,495 |
| (Deficit)/Surplus in plan at the end of the year | (65,538) | (95,910) |

**Funding Policy**

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102.

The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

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

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

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

## 24. Principal Subsidiary Undertakings

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

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

Lucy Cavendish Trading generated profits of £19k (2021: £10k) for the year and has net assets of £2 (2021: £2)
Lucy Cavendish Estates Limited generated profits of £141k (2021: £14.5k) for the year and has net assets of £1 (2021: £1)

Lucy Cavendish Trading Limited College supplies varied conference services.
Lucy Cavendish Estates facilitates estates development for the College.

**Registered office address:**
Lady Margaret Road
Cambridge
CB3 0BU

## 25 Related Party Transactions

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

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

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

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

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

| From | To | 2022 | 2021 |
|---|---|---|---|
| £0 | £10,000 | 19 | 12 |
| £10,001 | £20,000 | 2 | 1 |
| £20,001 | £30,000 | 2 | 1 |
| £30,001 | £40,000 | 4 | 2 |
| £40,001 | £50,000 | 0 | 1 |
| £50,001 | £60,000 | 3 | 3 |
| £60,001 | £70,000 | 2 | 1 |
| £70,001 | £80,000 | 1 | 1 |
| £80,001 | £90,000 | | |
| | Total | 33 | 22 |

The total trustee salaries were £578k for the year (2021: £553k)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £167k for the year (2021: £150k)
The College has two trading subsidiary undertakings which are consolidated into these accounts. All subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales.

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

There are no other related party transactions to note.