

Fitzwilliam College
Annual Report and
Financial Statements

For the Year ended 31st July 2023
Registered Charity No. 1137496

2023

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INTRODUCTION AND SUMMARY FINANCIAL PERFORMANCE

Introduction

Fitzwilliam College is a modern, open-minded, confident, inclusive academic community with a unique history. It is one of 31 colleges in the University of Cambridge. The College's identity is built upon our commitment to providing an environment for academic excellence to flourish so that our wider impact is felt in the life-changing higher education and ground-breaking research that happens at 'Fitz'. This is coupled with our founding ethos to offer opportunity to those left outside of the traditional structures of the Collegiate Cambridge system. Access to education is in our DNA. We remain passionately proud and committed to this founding purpose.

The College has around 1,000 members including students, Fellows, Bye-Fellows and staff members and occupies a seven-acre site between Huntingdon Road and Storey's Way. The site comprises new buildings built between the 1960s and 2000s, incorporating the regency house 'The Grove' and extensive landscaped gardens. The residential buildings include 385 rooms for students together with residential sets and offices for Fellows and Bye-Fellows. Other buildings house a library, a chapel, an auditorium, a dining hall, seminar rooms, teaching rooms, common rooms, a gym, squash courts and other shared spaces. In addition, the College owns 28 External Properties, the majority located close to the College, offering accommodation for a further 242 students.

The College is a Registered Charity, regulated by the Charity Commission and is registered with the Fundraising Regulator. The accounts follow Financial Reporting Standard (FRS) 102 and are presented in the format of the Recommended Cambridge College Accounts (RCCA), which comply with the Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

Summary Financial Performance

The financial statements consolidate the activities of the College and the College's trading subsidiary.

The financial performance to 31st July 2023, highlights that the College returned to a normal operating environment for the first time in three years. The financial activity was set against a background of uncertain economic activity and high inflationary pressure on many costs. For the period, the College recorded income from Total Activity of £14.89 million, expenditure from Total Activity of £13.76 million and a surplus of £1.13 million (FY2021-22: deficit of £0.10 million), before gain/loss on investments. The figure includes income of £0.92 million from the Colleges' Fund committee, that the College applied to Endowment Activity to the repair the College's Endowment from the negative impact of the pandemic.

Unrestricted Activity, which is a more accurate reflection of the College's performance, showed a deficit for the year of £0.06 million (FY2021-22: deficit of £0.6 million). The College's operating performance for the year highlights that the College continues to balance a prudent approach to expenditure with investing to ensure the sustained growth of our educational mission.

The College's total net assets as at 31st July 2023 stood at £154.63 million (2022: £153.19 million). Our investments consist of a Discretionary Investment Portfolio and External Properties. As at 31st July 2023, the value of investments was £96.05 million (2022: £95.10 million). The value of the College's Endowment Reserve as at 31st July 2023 was £77.28 million (2022: £77.57 million) and the value of the Restricted Reserves was £7.13 million (2022: £6.44 million). As a result, the College's 'free' reserves as at 31st July 2023 stood at £11.64 million (2022: £11.13 million).

The College's financial position has now stabilised, but the current economic environment and high inflation provide financial uncertainty over the next 12 to 18 months. The College is confident it has sufficient financial resources in the form of liquidity and reserves to meet this uncertainty.

Further details on the College's financial performance are set out on pages 12 to 17 of this report.

Fitzwilliam College
Storey's Way
Cambridge
CB3 0DG
Website: www.fitz.cam.ac.uk
Charity Registration number: 1137496

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Trustees (Members of the Governing Body). Members of the Governing Body receive no remuneration for acting in that capacity. However, remuneration is paid to those members holding positions as officers of the College.

Members of the Governing Body during the year were as follows:

Officers of the College

Master: Baroness Morgan of Huyton*
 Bursar: Mr R G Cantrill*
 Senior Tutor: Dr P A Chirico*

Professor J M Cullen*	Professor C Genakos
Professor D J Cole	Professor R C Powell
Professor D A Cardwell	Professor M H Kenny
Dr J D Leigh	Dr B Wiedemann*
Dr H A Chalmers* (retired 30.9.22)	Dr A A J D'Sa
Professor B Vira	Dr J W Rogers
Professor E Mastorakos	Dr P Mendes Loureiro (stepped down 05.07.23)
Professor D A Coomes	Dr C N Abadie
Professor M J Millett (Life Fellow from 01.10.22)	Dr J-M Johnston
Dr R D Camina	Dr S S Martin*
Dr A G Kovalev	Dr C Vidal
Professor S Mukherji	Dr C Chassonnery-Zaïgouche (stepped down 30.9.22)
Dr D R E Abayasekara*	Dr O Pevny
Professor J A Elliott*	Professor S Keshav
Professor A E H Wheatley	Professor G E D Oldroyd
Professor K Saeb-Parsy	Dr R J Hill
Dr S S Owen*	Dr E Galliano
Professor P J Rentfrow	Dr G E M Wilson
Professor S J Gathercole*	Mr P O'Connor
Professor M B Wingate	Dr I Fanlo
Dr F Knights	Dr C Harvey
Professor J K Aitken* (deceased 07.04.23)	Dr E A Lees
Dr A M Watson	Dr T L Williams
Professor A P Jardine	Dr D Luca
Professor K J Boddy*	Dr A Cullen (appointed 01.10.22)
Dr S J Sawiak	Dr S Nelson (appointed 01.10.22)
Professor E Lees (on secondment from 01/09/21)	Dr A Arentsen (appointed 01.10.22)
Dr G N Glickman	Dr Q Cheng (appointed 01.10.22)
Dr J Guarneri	Dr A Heenan (appointed 01.10.22)
Dr N K Jones*	Prof A Vlachos (appointed 01.10.22)
Professor I M Tsimpli*	Ms G Cannon (appointed 01.10.22)
	Dr S Kayhanian (appointed 30.11.22)

*also served on College Committee

Principal advisers

Auditors

Peters Elworthy & Moore
 Chartered Accountants & Statutory Auditors
 Salisbury House
 Station Road
 Cambridge
 CB1 2LA

Bankers

Barclays Bank plc
 9-11 St Andrews Street
 Cambridge
 CB2 3AA

Legal Advisers

HCR Hewitsons LLP
 50 - 60 Station Rd,
 Cambridge,
 CB1 2JH

Property Managers

Bidwells
 Trumpington Road
 Cambridge
 CB2 9LD

Investment Managers

J.P. Morgan International Bank Limited
 25 Bank Street
 Canary Wharf
 London
 E14 5JP

ANNUAL REPORT OF THE GOVERNING BODY

Aims and objectives of the College

The principle charitable objectives of the College, set out in the College's Charter and charity registration, are:

- To advance education, religion, learning and research in the University; and
- To provide a College wherein members of the University may work for Degrees in the University or may carry out postgraduate or other special studies at Cambridge.

During the year, the College continued to implement the new College plan that was created in 2020-21 (the 'College Plan' or the 'Plan'). The Plan seeks to ensure that the charitable objectives of the College are applied in a current context and provides a strategic framework for the College to shape our future in the near to medium term.

Our Values

- Supporting Excellence;
- Community as our foundation; and
- Concerned with our purpose.

Supporting excellence

The College's core activity is to provide a world-class educational environment for our students and to be a meaningful space for open-minded academic research, discussion and collaboration.

We work hard to identify those undergraduate and postgraduate students with the highest academic potential, and to support them through their application ('getting-in'), their time at the College and into professional life thereafter ('getting-on'). The College is a unique space for the sharing of ideas between students, academic staff, non-academic staff, alumni and the wider community. We create opportunities to promote imaginative collaborations, share research and develop public engagement skills. We seek to play an active and engaged role in the governance and academic life of the University.

We are motivated to achieve the highest standards in the operation of the College and in the investment in our buildings and spaces – from the technology we use in our work, to the gardens we enjoy at our leisure. All academic and non-academic staff members of the College will be supported by fair salaries and benefits and opportunities to participate in the intellectual life of the College.

Community as our foundation

The founding ethos of the College was to offer opportunity to those left 'outside' the traditional structures of Collegiate Cambridge and we are passionately proud and committed to this founding purpose. We are a College in the University of Cambridge, but we retain and confidently assert our own identity. Our work to nurture and develop a representative community will constantly evolve to identify and address those barriers present today, not just in terms of student access but also throughout the Fellowship and non-academic staff body.

From this foundation of community comes shared benefits and collective responsibilities: a guarantee of inclusion and space to be oneself; principles of fairness and mutual respect; and investment in academic excellence and achievement, personal and professional development, and physical and mental wellbeing.

Concerned with our purpose

We recognise that the social purpose of a university extends beyond the world of academia. This means that we are concerned with the wider impacts of the College's work and the example we set as a community.

We know that prioritising sustainable choices – whether investment portfolio divestment, or food choices in the buttery - raises conflicts and tensions, but we will not shy away from the debate. We are profoundly aware of our responsibility to manage our resources to ensure the College not just survives but thrives into the future and, in doing so, minimise the size of our footprint on the environment. We will take difficult decisions in an open, transparent, and constructive way drawing on the skills and experience of members of our community.

We will extend our outreach work beyond an admissions function and play a more active role in terms of social mobility in the local area. We want to play a more visible and consistent role in the local communities of which we are a part, whether in sharing our resources, providing access to our spaces, or applying our knowledge and skills to the good of others.

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The following sections detail the College's progress in meeting these objectives and developing the resources that it has available to support them.

Public Benefit

The Governing Body, in its decision-making throughout the year, considered the Charity Commission's Public Benefit guidance. Its primary concern was to make sure that the College's educational benefits were accessible to individuals with the highest academic potential from all backgrounds. The College achieved this by investing in an active outreach programme to raise awareness of educational opportunities and by collaborating with the University and College supporters to provide financial support for eligible students. The intention being that no student's education is limited by their financial background. The following table presents student statistics for the academic year 2022-23:

<i>By fee status</i>	<i>Undergraduate</i>		<i>Postgraduate (full time)</i>		<i>Postgraduate (part time)</i>	
<i>Home</i>	397	80%	151	46%	88	60%
<i>EU</i>	9	2%	31	9%	15	10%
<i>Overseas</i>	93	18%	149	45%	45	30%
Total students	499		331		148	

All figures as of January 2023

Widening Participation

“To attract a diverse body of high calibre undergraduate and postgraduate students.”

The College's outreach efforts have evolved to target individual and family-based characteristics, such as in-care and free school meals status, and school-based criteria, such as educational disadvantage and poorly performing schools. These initiatives have complemented our focus on postcode criteria provided by the Cambridge Admissions Office. Additionally, this year, we continued our collaboration with several other colleges in a mentoring scheme led by the charity Project Access. We provided mentors for students to whom we offered a place with widening participation flags, assisting them in making informed choices regarding their offers.

Our widening participation strategy remained centred on sustained engagement with state school students from widening participation backgrounds, including those from underrepresented ethnicities at Cambridge. We prioritised courses with fewer applications and lower application rates from state school students and other marginalised groups, such as women in STEM fields. Furthermore, the College is actively developing a strategy to increase applications from regions outside of London and the Southeast.

Our essay competitions have consistently attracted high-calibre applicants from the state sector. We have also expanded our online events and supplemented them with physical visits to the College, including taster days covering various arts and sciences subjects. During the year, the College participated in University Open Days, welcoming 800 prospective students out of a total of 2000 visitors over three days in July and September 2023.

The admissions round 2023-24, undertaken in autumn 2022, experienced a reduction in applicant numbers, being approximately 12% lower than the 2022-23 admissions round. The ratio of applications to individuals admitted of 5.5x was equal to the historical average. Interviews for 77% of applicants were conducted remotely online, as was the case in 2021. The following table presents admissions statistics for the year, along with comparisons to previous years:

	2023-24	2022-23	2021-22	2020-21
<i>Applications</i>	781	873	792	766
<i>Interviewed</i>	602	703	658	612
<i>Offers</i>	183	169	168	184
Admitted	142	144	146	154
Ratio of appl. to admitted	5.5x	6.1x	5.4x	5.0x

The Admissions Tutors, Directors of Studies, and a substantial team of interviewers diligently assessed a broad and diverse pool of candidates to identify those with the highest academic potential. In total, 183 offers were extended for

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entry in 2023. Among these offers, 25 were made to candidates who had initially chosen other colleges but were selected through the intercollegiate 'pool' in August. Notably, this figure includes six offers for the Foundation Year programme. The Foundation Year represents a one-year course specifically designed for a fresh cohort of applicants who possess the potential to excel at Cambridge but have faced circumstances that hindered them from realizing their full academic potential until now. This was the second year the College has participated in the programme.

In 2023, the nationwide A-level results in the UK were notably lower compared to those in 2022 and were on par with the results from 2019. While the number of candidates falling short of their offers resembled the 2019 figures, we observed that individuals with widening participation indicators were more likely to miss their offers than in 2019.

For the candidates regulated by the Office for Students, 83% (compared to 83% in 2022, 70% in 2021, and 77.6% in 2020) had received their education in the state-maintained sector. Among them, 44% possessed at least one of the 'widening participation' flags we employ. Additionally, 12% (in comparison to 10% in 2022, 15% in 2021, and 14.4% in 2020) were from areas falling within POLAR4 quintiles 1 and 2, representing regions with a relatively low percentage of 18-year-olds pursuing higher education. Furthermore, 21.3% (compared to 29.1% in 2022, 22.1% in 2021, and 20.8% in 2020) came from areas classified within quintiles 1 and 2 of the Index of Multiple Deprivation (IMD), and 19.3% (versus 20.5% in 2022, 25.7% in 2021, and 20% in 2020) had Output Area Classification (OAC) flags.

The College's unwavering commitment to widening participation aligns with our founding mission and has resulted in the admission of numerous students from diverse backgrounds who have achieved remarkable success at the University.

Financial support

The total value of financial awards to students in FY2022-23 was £1.36 million (FY2021-22: £1.44 million) and the College's share was 27% of all fee income received (FY2021-22: 29%). The amount was impacted by the University and College Union's 2023 Marking and Assessment Boycott, which led to only a small number of scholarships being awarded during the year. Outstanding scholarships for the year will be awarded during FY2023-24, following the marking of remaining exams in the autumn of 2023.

The primary source of funding for undergraduates with limited financial means is the Cambridge Bursary Scheme ('CBS'), jointly operated and funded by the University and the colleges. In the academic year 2022-2023, 147 Fitzwilliam students (comprising 30% of our undergraduates with regulated Home/EU fees) benefited from these awards, amounting to £502,735 (2021-22: £424,053). The College contributed £178,726 directly to this funding, while we received £7,015 from other Colleges in transitional support (2021-22: £3,891). Consequently, the net cost to the College for the Cambridge Scheme in this year was £171,711 (2021-22: £176,151). During the year all students who were recipients of CBS awards received an addition 'cost of living' bursary of £350 per student, funded by the College at a cost of £55,650. Additionally, 75 undergraduates received Fitzwilliam College Maintenance Bursaries, totalling £34,900, and 24 students received Goldman Sachs Bursaries, amounting to £28,500.

The generosity of our donors has enabled the College, both independently and in collaboration with various University funding initiatives, to provide an increasing number of partially funded and fully funded postgraduate scholarships. In the 2022-2023 academic year, support for postgraduate students reached £463,560, encompassing three full-cost Masters Studentships, five full-cost PhD Studentships, three part-cost PhD Studentships, 14 additional part-cost postgraduate scholarships, and 61 Senior Scholarships. Furthermore, 35 postgraduate students received Maintenance Bursaries totalling £17,850, 15 received PhD Extension Funding amounting to £36,300, and 88 received Research Awards totalling £41,288.

The College also extends a range of awards and grants from various funds to ensure that all students, regardless of their financial circumstances, can seize opportunities to enhance their educational experience. For example:

- 108 Travel Awards were granted to undergraduates, totalling £37,240;
- Prizes and Scholarships for undergraduates and graduates with outstanding academic records were not awarded for the 2022-2023 academic year due to the University and College Union's 2023 Marking and Assessment Boycott;
- An additional 315 awards, totalling £126,149, were provided through the Student Opportunities Fund. These included allowances for Vacation Project Accommodation, awards for successful participation in

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the Cambridge University Language Programme, support for disability-related expenses (including Disability Rent Rebates), bursaries for laptop/IT support, additional assistance for Architecture students, Book Awards, and a Formal Hall Allowance for undergraduates receiving a Cambridge Bursary award. Additionally, the fund contributed to the Undergraduate and Postgraduate Rent Allowance Scheme;

- 38 awards were distributed from subject-specific funds, totalling £16,847;
- 31 students received music awards, totalling £16,876, while 96 students received sports awards, amounting to £19,181;
- 31 students received scholarships and prizes from The Fitzwilliam Society Trust, totalling £9,309;
- 3 students were awarded Undergraduate Chinese Scholarships, totalling £30,000;
- 21 MPhil students received prizes for achieving a Distinction in their studies, totalling £3,675; and
- 13 students were awarded additional awards (Charitable Project, Master's Gift Fund and Performance), totalling £2,050.

Academic Review

“To deliver a world-class undergraduate education.”

In the academic year 2022-2023, the student body at Fitzwilliam College consisted of 499 undergraduates, representing 51% of the student population, and 479 postgraduate students, which included 148 part-time students, accounting for 49%. The College provided comprehensive pastoral support and academic guidance to all students through a dedicated team of Tutors, complemented by the Wellbeing Co-ordinator, Chaplain, Student Health Advisor, Counsellor, Porters, and elected student representatives and welfare teams.

Teaching

Teaching at Fitzwilliam emphasised small-group instruction, a distinguishing feature of undergraduate education at Cambridge. In addition to lectures, seminars, and practical work, Directors of Studies in each subject area organized academic supervision sessions with 982 specialists assigned to Fitzwilliam undergraduates. The College employed five College Teaching Officers and one Teaching Associate, each taking on a significant teaching role and playing a crucial role in the academic development of undergraduates in their respective subjects.

Examination results

Exam results for the 2022-2023 academic year were not available due to the University and College Union's 2023 Marking and Assessment Boycott.

Postgraduate Admissions

“To develop a stimulating environment for postgraduate education.”

For postgraduate admissions, the College made a total of 317 offers (of which 212 were for Masters courses, 83 for PhD/MRES, and 16 for clinical medicine/veterinary studies) in the academic year 2022-23. Of these offers, 175 students accepted their places (of which 120 were for Masters courses, 34 for PhDs, and 16 for clinical medicine/veterinary studies). Postgraduate applicants to Cambridge apply directly to Departments and Faculties, with the option of naming one or two preferred colleges. Among the 293 applicants who accepted offers at Fitzwilliam in 2023, 52 (34 Masters and 18 PhDs) named the College as their first choice, and 26 (18 Masters and 8 PhDs) named it as their second choice. Additionally, the College welcomed 55 new part-time MSt students.

Achievements

During the year, 42 doctoral dissertations by Fitzwilliam students were approved for the award of PhD degrees. The College awarded 40 College Senior Scholarships to PhD students, and 21 prizes were given to Masters Students who achieved Distinction in exams held in 2022-2023.

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College support for Postgraduate students

The College provided significant support for postgraduate students, including pastoral guidance and extra-curricular activities mentioned earlier. This support also extended to practical assistance and informal mentorship by Tutors and senior members. Research students presented their work at formal conferences organised by the Tutors. Postgraduate students participated in subject societies, which organised social events, research-based seminars, and featured eminent visiting speakers. The MCR (the College's postgraduate student union) and the Postgraduate Tutorial team organised a wide range of social and academic events throughout the year.

“To advance research by Fellows and postgraduates.”

Fellows and postgraduates actively contributed to advancing research at the College. In 2022-2023, eight new Fellows and four new Bye-Fellows joined the College, bringing the average totals for the year to 58 and 53, respectively. Additionally, the College appointed 20 Research Associates for the year, along with Research Fellows who formed the Postdoc Society, facilitating social and academic interactions.

Two new early-career researchers took up Research Fellowships at the College. The College provided additional resources for four Research Fellows whose principal funding came from a different source, each pursuing significant research at an early stage in their academic careers.

The College Teaching Officers ('CTOs') played a vital role in addressing essential teaching needs that could not be met by established University Teaching Officers ('UTOs'). These CTOs were actively involved in both teaching and academic research, supported by research funds and sabbatical leave entitlements. Five CTOs were employed during the year.

The College also welcomed academic visitors, including Visiting Fellows, who enriched academic discussions and brought new connections. In the year 2022-2023, two Visiting Fellows were in residence: Dr. Igor Teslenko (MML) and Dr. Tatiana Thieme (Geography).

“To nurture and sustain a lively and welcoming community of scholarship and learning.”

A core purpose of the College is to foster the exchange of ideas among members at all stages of their academic careers. This exchange occurred through formal academic teaching of undergraduates, subject-based societies, and a diverse programme of lectures, discussions, conferences, and cultural events, many of which were open to the public. This commitment contributed to the creation of a vibrant and inclusive community of scholarship and learning at Fitzwilliam College.

College facilities and operations

Our buildings and spaces

People are at the heart of Fitzwilliam and the buildings and spaces in which we live, work and relax play a vital role in the shaping of our activities and relationships. The College estate, comprising of the main site between Storey's Way and Huntingdon Road (the 'Main Site') and some 28 external properties (the 'External Properties') provides the physical environment for the College community. We are in the fortunate position of being able to accommodate all our undergraduates in College-owned accommodation. During the year the College celebrated the 60th anniversary of the start of the construction of the Denys Lasdun designed College buildings on the Main Site with an architectural exhibition on the architecture of the College 'Building for the future'. The exhibition participated in the Open Cambridge festival in September 2023 (a University organised event).

Expenditure on maintenance of buildings was £0.23million during the year (FY2021-22: £0.14 million). Capital expenditure on improvements (including External Properties) was a further £0.74 million (FY2021-22: £4.9 million, including the refurbishment of D-F staircases) and included the installation of new windows in Fellows' Court and work to upgrade a number of External Properties.

This year again, New Court was planted with an array of vegetables that were supplied free to the College community. It is an illustration of the work the gardens team undertakes to make sure that the rich green environment in which the College's buildings are set is maintained and enhanced.

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A key component of the College Plan relates to the College estate. A new estate masterplan (the 'Estate Masterplan') for the College was approved by the Governing Body in November 2022, based on a 'step change' strategy. As part of the work, the College commissioned an architectural study by Allies and Morrison of the Main Site that drew on the original Lasdun scheme for the College and at the same time recognised the architectural evolution of the site over the last 60 years.

The Estate Masterplan focuses on: increasing the number of student rooms on the Main Site by up to 120 new rooms; continuing the renovation programme of the Lasdun accommodation and the Central Building; and the intensification of certain External Property sites, which then in turn allows the College to review the size and shape of the External Properties portfolio.

The first phase of the Estate Masterplan is the full renovation of M-P Staircases (some 68 rooms) incorporating a new satellite extension to the north of P-Staircase that will provide new student accommodation (some 17 rooms) and a 'reflection' room. The scheme will incorporate high levels of sustainability with the new extension being designed based on Passivhaus principles. The source of heating for the renovated staircases and the extension will be air source heat pumps and solar panels rather than gas boilers. Completion of the project will lead to all first-year undergraduates being housed in modern renovated ensuite rooms. In addition, the work will make the accommodation more attractive to commercial conference guests and will in turn increase the income the College receives from this activity. The College is aiming to start the work on the project in the Summer of 2024.

The Environment

The College has a long-standing commitment to minimising our environmental impact. We signed the Cambridge Climate Change Charter in November 2008 and have in place an Environmental Action Plan covering energy efficiency, carbon emissions, water consumption, waste management and minimisation, purchasing, transport, chemical pollutants and new developments and construction, as well as an Environmental Policy statement. The College has also adopted a Sustainable Food Policy covering sourcing, purchasing, consumption and waste-reduction. In addition, the College operates a programme to offset the carbon emissions stemming from all Fitzwilliam-supported travel. Whether in-relation to our use of energy sources where the College purchases 100% of our electricity from renewable sources to our choices when purchasing appliances or our support of community recycling, every decision in the College is considered through this lens.

As part of the College's on-going sustainability goals coupled with our focus on reducing the cost of utilities, during the year, the College reroofed the auditorium, taking the opportunity to improve its thermal envelope and also install approximately 100 solar panels that will provide electricity for the auditorium and an element of the Gatehouse building.

This was the first full year, that the College's investments were managed based on its new responsible investment policy that the College approved in October 2021 and implemented in June 2022. Under the new policy the College will not invest its discretionary investment portfolio ('DIP'), valued at approximately £55.16 million as at 31st July 2023, either directly or indirectly in the fossil fuels (where 10% or more of the revenue is exposed to the activities), tobacco or defence sectors and will measure its investments against the 'leader' ESG rating ('AAA' or 'AA'). The policy is aligned with the Paris Climate Agreement. The approach was applied to all investment classes during the year except for private equity that will be incorporated into the policy in the short to medium term, as funds are returned to the College. The policy ensures that the College's investments are managed, not just based on their financial performance and value for money, but also in terms of whether they embody the College's social purpose and the example we set as a community to others.

The College sees the new Estate Masterplan as a key area where our sustainable values will be applied for the long-term benefit of the community as the new plan is implemented. This approach is highlighted in the renovation of M-P Staircases and the extension to P-Staircase as discussed above.

Our people

The College's academic mission is delivered by a dedicated group of academic and non-academic staff members. The academic staff comprises the Fellows, supported by Bye-Fellows, and very many subject supervisors from across Cambridge. In addition to the 106 permanent non-academic staff members (average for FY2022-23), our casual staff

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also play a vital role in the running of the College. It is the aim of the College to involve students in the affairs of the College where possible and consistent with their academic work.

During the year the College looked to contribute to the broader community, illustrated by our continued support for Cambridge sustainable foods (a local charity that provides food to those in need across Cambridge).

The College works to ensure that its employment package remains competitive and attractive to potential staff members. An illustration of this is our agile working policy, allowing staff members to work from home two days a week where it is operationally possible.

During the year, all permanent staff were paid at or above a minimum per hour rate of £10.90 to the end of April 2023 and then £11.50 from the beginning of May 2023. The Real Living wage for 2022-23 was £10.90, announced in September 2022.

In recognition of the challenging financial circumstances staff members faced, the College paid a flat £1,000 exceptional discretionary 'cost of living' payment and a further 2% discretionary payment (based on an individual's salary), to assist staff members with the 'cost of living' crisis.

During the year, several long serving staff members retired, including Valter Monteiro (Head of Finance), Claire Claydon (Senior Tutor's Assistant) and Sue Free (Postgraduate Officer). The individuals have made a major contribution to the College community over many years.

The College welcomed 26 new non-academic staff members in the year. The College has been able in a number of cases to make internal promotions to posts that have become vacant, allowing staff members to progress their careers in the College community.

The future availability of sufficient and reliable pensions for staff in retirement continues to be an important issue. The College has continued to respond as an employer to the consultations being undertaken by the Universities Superannuation Scheme (USS), aligning itself to the University of Cambridge's position, in the firm belief that its own future is inextricably aligned with the University.

At the year-end the College had 63 members of USS on the payroll. The Fitzwilliam College Assistant Staff Superannuation Fund (FCASSF), a defined benefit scheme which was closed to new members in 2004, had 82 members at year-end.

Our operations

The College's operational aims are:

- To deploy its resources effectively to deliver the College Mission;
- To comply with legal and regulatory obligations wherever it operates;
- To meet consistently and wherever possible, exceed, the standards of service, support and operational performance that are expected; and
- To promote the College and the University values by celebrating the academic and non-academic successes of students, Fellows, alumnae/i and staff members of the College.

Regular surveys are undertaken to gauge the level of satisfaction of the College's students with their educational and accommodation experiences. These include the National Student Survey, University-wide surveys initiated by the University and by the Cambridge Student Union, and College surveys, which test experience of specific groups and support our commitments under Accreditation Network UK (ANUK), the College's regulator for student accommodation. Audits have taken place during the year for Health and Safety, and for ANUK compliance.

During the year, a dispute with a potential customer of the College's commercial conference activities was resolved favourably for the College. The College has reviewed our policy regarding commercial conference bookings as a result of the dispute.

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Review of Financial Performance

Introduction

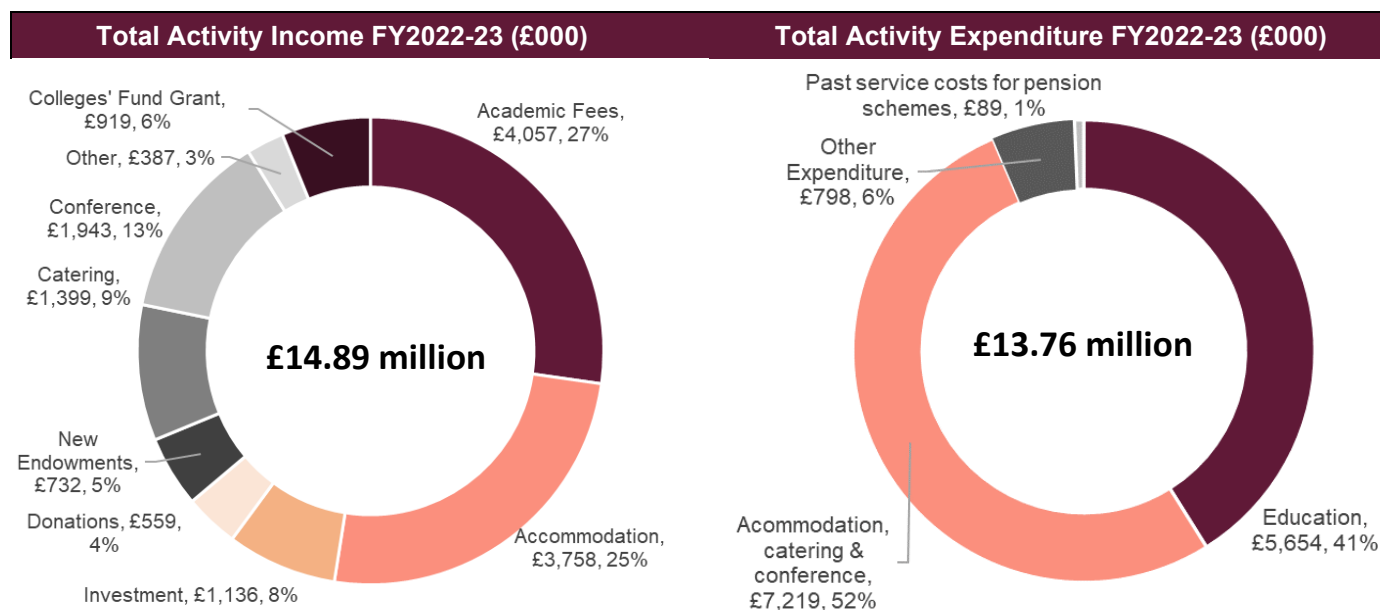
The College has prepared the consolidated accounts on a RCCA basis. The financial statements represent the activities of the College and our wholly owned operating subsidiary, Fitzwilliam College Services Limited. The analysis of the College's financial performance is broken down between 'Unrestricted Activity' that represents the operational activity of the College, 'Restricted Activity' relating to funds that arise from expendable donations for specific purposes, and 'Endowment Activity' relating to the income from any 'endowed funds' which were given to support specific projects.

Summary

The financial performance to 31st July 2023, highlights that the College returned to a normal operating environment for the first time in three years. The financial activity was set against a background of uncertain economic activity and high inflationary pressure on many costs. The College continues to balance a prudent approach to expenditure with investing to ensure the sustained growth of its educational mission.

Income from Total Activity increased by 3% to £14.89 million (FY2021-22: £14.42 million) with expenditure from Total Activity reducing by 5% to £13.76 million (FY2021-22: £14.52 million) giving a surplus of £1.13 million (FY2021-22: deficit of £0.10 million). If the loss on investments of £0.73 million (FY2021-22 gain: £8.00 million) is considered, the 'Total surplus/(deficit) for the year' showed a surplus of £0.40 million (FY2021-22: £7.90 million).

The comparison with the previous financial year in several areas is distorted by the one-off impact of the change in accounting policy the College implemented in FY2021-22, to reflect pledges and legacies from donations and multi-year commitments of awards to students in the year that the commitment was made. The new policy is in line with best accounting practice in this area. The charts below provide a breakdown of Total Activity by Income and Expenditure.



As discussed in an earlier section, this was the first full year the College adopted a new responsible investment policy that ensured our investments are managed not just based on their financial performance and value for money, but also so that they embody the College's social purpose and the example we set as a community to others. During the year the College continued to hold a significant cash balance of £17.5 million (FY2021-22: £16.5 million), excluding £1.72 million of cash held by the College in Investments. £15.00 million of this sum was the net proceeds, following repayment of a near-term loan facility, from a £20 million, 50-year, private placement the College raised in January 2022, on an unsecured fixed rate basis of 1.54% per annum (the 'Private Placement'). The funds will be used to invest in the Estate Masterplan capital projects, to improve the level of amenity for the community as part of our advancement of our educational mission and to enhance the College's income in our conference activities in the near to medium term.

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The College's financial position has now stabilised, but the current economic environment and high inflation provide financial uncertainty over the next 12 to 18 months. The College is confident it has sufficient financial resources in the form of liquidity and reserves to meet this uncertainty.

Unrestricted Activity

Unrestricted Activity is a more accurate reflection of the College's financial performance. Income from Unrestricted Activity increased by 9.4% to £12.95 million (FY2021-22: £11.84 million) with expenditure from Unrestricted Activity increasing by 4.6% to £13.01 million (FY2021-22: £12.44 million) giving a deficit of £0.06 million (FY2021-22: deficit of £0.6 million prior to one off adjustments). The table below shows a breakdown of Unrestricted Activity by Income and Expenditure by category:

Unrestricted Activity by category FY2022-23 compared to FY2021-22 (£000)

Income	FY2022-23		FY2021-22		Variance	% change FY2021-22 to FY2022-23
Academic Fees	£4,057	31%	£3,938	33%	119	3%
Accommodation, catering and conference	£7,100	55%	£5,674	48%	1,426	25%
Investment Income	£478	4%	£220	2%	258	117%
Endowment return transfer	£553	4%	£607	5%	-54	-9%
Other income	£203	2%	£203	2%	0	0%
Donations	£559	4%	£492	4%	67	14%
Colleges' Fund Grant		0%	£704	6%	-704	-100%
	12,950		11,838			
Expenditure	FY2022-23		FY2021-22		Variance	% change FY2021-22 to FY2022-23
Education	£4,908	38%	£4,744		164	3%
Accommodation, catering & conference	£7,219	56%	£6,309		910	14%
Other Expenditure	£798	6%	£610		188	31%
Past service costs for pension schemes	£89	1%	£776		-687	-89%
	13,014		12,439			
Surplus/(deficit) before other gains and losses	(64)		(601)			

Academic fees grew marginally due to overall student mix. The cap on student tuition fees since 2012, has meant that the real value of the portion of the tuition fee the College receives has reduced dramatically and will continue to do so into the near future. Accommodation and catering activity was stable whilst conference activity improved significantly to £1.94 million (140% increase) due mainly to the return of international summer schools following the lifting of pandemic restrictions in China (FY2021-22: £0.81 million). Separately, the conference activity benefited from an online summer school programme the College ran itself with a commercial partner. The College intends to continue to develop this area as part of a medium-term strategy to diversify and grow our conference activity.

Investment income increased by 118% to £0.48 million (FY2021-22: £0.22 million), as in addition to commercial property income of £0.08 million, the College received interest income of £0.40 million for the full year on the £15 million net proceeds from the Private Placement and other surplus cash balances.

During the year the College received a grant of £0.92 million from the Colleges' Fund (FY2021-22: £0.70 million). The College applied the sum to Endowment Activity to the repair the College's Endowment from the negative impact of the pandemic, rather than Unrestricted Activity as it had in the previous three financial years.

The Endowment and investment return transfer under the College's Total Return Accounting policy at £1.28 million, was some £0.05 million lower than the previous year (FY2021-22: £1.33 million). The policy looks at the return on a medium-term basis coupled with the drawdown rate the College applies, which was 3% for the year (FY2021-22:

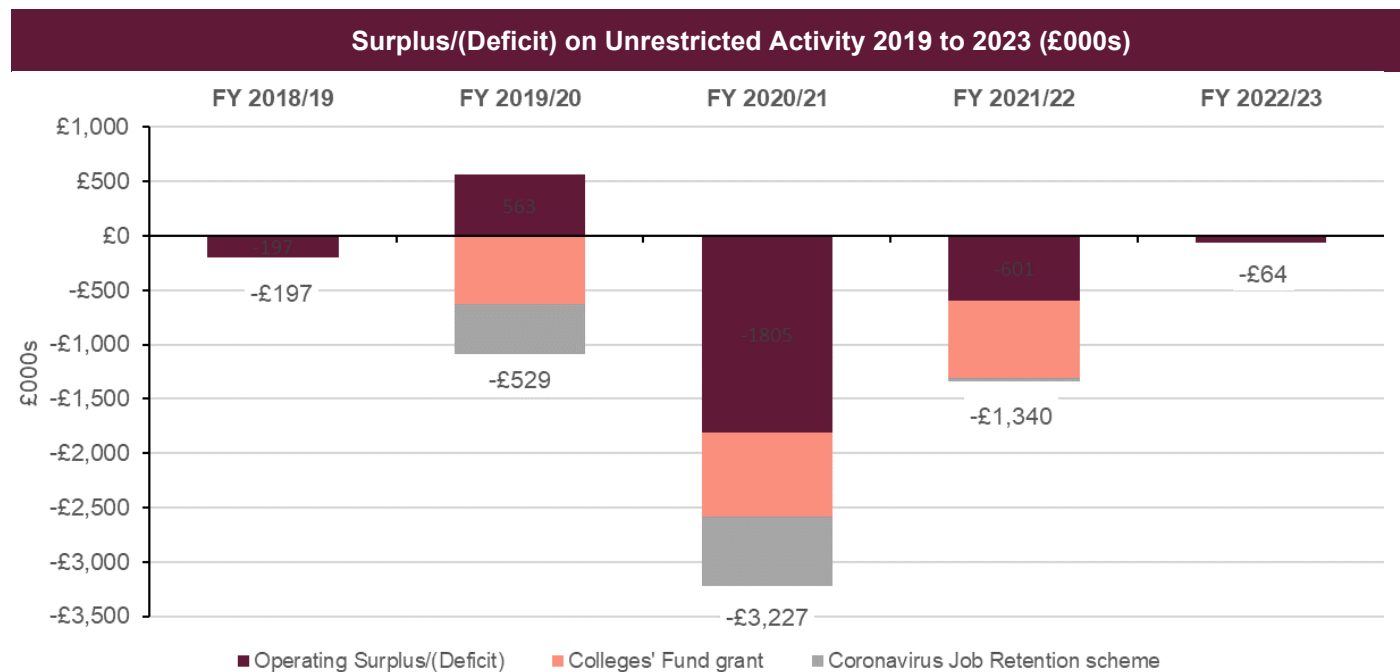
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3.37%). £0.55 million of the sum was transferred to Unrestricted Activity. Unrestricted donations added a further £0.56 million (FY2021-22: £0.49 million). A further discussion on Fundraising is set out later in this commentary.

The College continued to focus on expenditure control to ensure that we ‘live within our means’ against a backdrop of high-cost inflation. Several expenditure categories, such as food supplies within catering and utilities, were exposed to intense inflation. The College’s decision to make a further one off discretionary ‘cost of living’ payment to staff members of 2% of salary in November 2022, totalling £0.05 million is also reflected in expenditure. The step was in addition to a flat £1,000 ‘cost of living’ payment (£0.10 million) the College made in the second half of 2022. The actions are illustrations of the College’s commitment to support members of the College community during the ‘cost of living’ crisis.

The Unrestricted Activity in the Education account had a deficit of £0.85 million (FY2021-22: -£0.81 million). Income from academic fees amounted to £4.06 million (FY2021-22: £3.94 million) and academic expenditure increased to £4.91 million (FY2021-22: £4.74 million). The result highlights the fact that the College continues to subsidise the cost of our educational mission from other activities.

The Unrestricted Activity operating deficit for the year was £0.06 million (FY2021-22: deficit of £0.6 million and a deficit of £1.34 million if one off adjustments are taken into account). The deficit was a significant improvement on the previous year as the College’s operational position normalised. As a result, the College took the decision to apply the College’s Fund grant it received of £0.92 million to Endowment Activity, to rebuild the Endowment following the negative impact of the pandemic. Over the previous three years, the College applied the grant to Unrestricted Activity to provide operational support during the pandemic.



Restricted Activity

Restricted income (excluding that related to building funds) during the year was £1.42 million (FY2021-22: £1.84 million). The change reflected a fall in the level of restricted donations received and also the change in accounting policy on Donations in FY2021-22, resulting in the College recognising future year pledges and legacies in that financial year. Associated educational expenditure was £0.75 million (FY2021-22: £2.09 million). If the release of accrual for the financial year is also taken into account, then the expenditure is adjusted to £1.11 million (this compares to FY2021-22: £1.17m, if the accrual for future year awards of £0.98 million is removed).

Capital grants are funds given to support capital projects, such as buildings. The matching expenditure is not shown in the income and expenditure statement, as it takes the form of capital investment. £0.18 million was received during the year towards the refurbishment programme (FY2021-22: £0.01 million).

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Endowment Activity

The Endowment Activity comprises restricted funds, the income from which may only be used for purposes specified by the donors, and unrestricted funds, from which the College can use the income (but not the capital) for general expenditure.

Under the College's Total Return Accounting policy, the College draws, as income, an amount based on a five-year rolling average of the financial year-end values of the discretionary investment portfolio. To provide budget certainty and an opportunity to react to unanticipated changes in market conditions, the rolling average is lagged by one year. As discussed earlier in the commentary, the Endowment and investment return transfer under the College's Total Return Accounting policy for the year was £1.28 million some £0.05 million lower than the previous year (FY2021-22: £1.33 million). The adjustment reflects the College's new responsible investment policy that adjusted the drawdown rate from 4% to a maximum of 3.5%.

Income within Endowment Activity arises from new donations and from investment returns. As at 31st July 2023, the value of the Endowment fell by £0.29 million to £77.28 million (31st July 2022, £77.57 million). The fall was driven mainly by a deficit of £0.34 million in Endowment Activity. New endowments fell significantly to £0.04 million (FY2021-22: £1.69 million which included an element of future year pledges). In addition, the value of the College's investments allocated to the Endowment Reserve fell during the year by £0.67 million (FY2021-22: gain £7.51 million). This reflects the static performance of the College's investment portfolio during the year against a backdrop of a strong performance over the last three years of the DIP and External Properties. The impact of these negative items was offset by the College's decision to apply the Colleges' Fund grant of £0.92 million to Endowment Activity to help repair the impact caused by the pandemic as discussed earlier in the commentary.

Reserves and Financing

The College includes within our Endowment the External Properties, which are used to accommodate students apart from one commercial unit. We consider that this policy is consistent with accounting and Charity Commission guidance, since the properties have the characteristics of investments, being relatively easily convertible to liquid assets and not considered essential to the fulfilment of the College's charitable objects. Taking this into account, Fitzwilliam continues to have one of the smallest endowments among the Cambridge undergraduate colleges and needs to continue to grow our reserves to provide assurance that we have sufficient resources to be able to sustain our educational mission in the long term.

Reserves which are available to meet general expenditure needs can be measured as the difference between the value of Investment and the Endowment and Restricted reserves. On this basis, 'free' reserves have improved to £11.64 million (FY2021-22: £11.01 million). This level of free reserves is still considered low in the context of the financing requirements of the College estate and pension fund deficits.

In January 2022, the College took advantage of highly favourable debt capital market conditions to improve its capital structure. It borrowed £20.00 million by way of a Private Placement, on an unsecured basis, with a fixed interest rate of 1.54% per annum for 50 years, repayable in a bullet payment in January 2072, from an institutional investor, The Pension Insurance Corporation. £5.00 million of the sum was used to repay near-term, variable interest rate, borrowings of £5.00 million. The net £15.00 million will be used to invest in the College estate, to improve the level of amenity for the community as part of the advancement of the College's educational mission and to enhance the College's income streams in its conference activity in the medium term. The College aims to use a large element of the Private Placement funds towards the first phase of the Estate Masterplan, the full renovation of M-P Staircases incorporating a new extension to the North of P-Staircase.

As at 31st July 2023, the College had total long-term borrowings of £30.00 million, that comprised of the £20.00 million Private Placement and a £10.00 million long term loan the College took out in 2008 (2022: £30.00 million). Gearing (a measure of Gross Indebtedness to Net Assets) as at 31st July 2023, stood at 19.4% (2022: 19.6%). The College has given certain general and financial covenants in connection with the Private Placement and the loan, which have been met at all relevant times during the financial year.

Investment portfolio

The College's investment portfolio consists of the DIP, which is managed by the College's discretionary investment manager, the External Properties and certain cash balances held by the College. At year-end the value of the portfolio had increased a by £0.9 million to £96.05 million (2021-22: £95.10 million). If the cash balance as at 31st July 2023, of

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£1.72 million is excluded (2022: £0.66 million), the portfolio stood at £94.33 million (2022: £94.49 million), a fall of £0.16 million.

DIP

The value of the College's DIP as at 31st July 2023, was £55.16 million (2022: £55.33 million), a fall of £0.24 million (-0.2%). This comprised £35.93 million of public market investments, £17.25 million in private equity investments and £1.98 million in cash.

This was the first full year, that the College's investments were managed based on its responsible investment policy that the College approved in October 2021 and implemented in June 2022, as discussed in an earlier section of the report. The approach was applied to all asset classes during the year except for private equity that will be incorporated into the policy in the short to medium term, as funds are returned to the College. The policy ensures that the College's investments are managed, not just based on their financial performance and value for money, but also in terms of whether they embody the College's social purpose and the example we set as a community to others. As at 31st July 2023, the College achieved a 'leader' score (based on the MSCI definition) in 65% of the DIP (excluding private equity) against a target in the responsible investment policy of 40%.

The asset allocation of the DIP as at 31st July 2023, comprises: public equity £26.26 million (46%); fixed income £9.67 million (13%); private equity £17.25 million (37%) and cash (held with the investment manager) of £1.98 million (4%).

The DIP (excluding private equity) achieved a total return of 3.0% (FY2021-22: -4.3%). This compares to the average CPI for the 12 months to July 2023 of 9.6% and a target investment return of 14.1% (CPI +4.5%). In July 2022, the College reviewed its target investment return and set it based on CPI +4.5%, on the basis that this was a more accurate reflection of the underlying inflation. The public equity asset class of the DIP where the College holds direct investments (following the investment strategy of the sustainable fund manager, Mirova) achieved a reasonable return of 5.2%. This was offset by the weaker performance of the fixed income asset class, that is managed by the investment manager. Comparison against the MSCI All Country World (ex. Fossil fuels) index that delivered a return of 6.6% for the comparable period, shows the DIP lagged the benchmark by 3.6%.

The DIP (including private equity) achieved a total return of -0.4% (FY2021-22: 8.6%). The weak performance of the private equity asset class was driven by a combination of the delayed valuation of private equity funds and the impact of currency translations from US dollar to UK sterling.

Since the current investment manager began managing the DIP (excluding private equity) in September 2016, the total return has been 5.3% annualised, compared to the target investment return of 8.3% annualised. It should be noted that these returns do not yet reflect further contributions expected from the allocation to private equity in the near to medium term. If private equity is included, the return over the period would be 6.4%. The nature of private equity is such that investments are made over a longer-term timeframe as suitable opportunities arise.

The performance of the DIP was static against a backdrop of continued global market uncertainty due to the on-going war in Ukraine, the conflict in Israel and the Middle East and the uncertainty regarding inflation. The near-term outlook for the DIP remains uncertain with downside risks impacting the ability of the portfolio to retain its year-end level of value.

External Properties

As at 31st July 2023, the External Properties were valued at £39.18 million (2022: £39.10 million), based on the Land Registry – Cambridge Local Authority area (incorporating a write down of one property), and made up 42% of all investments. Rental income from the External Properties was £1.65 million (FY2021-22: £1.59 million). The net income yield stood at 3.7% (FY2021-22: 3.7%). The Cambridge residential property market experienced strong growth in the first six months of the financial year which was completely reversed from the beginning of 2023 resulting in an annual increase to July 2023 of 0.7% (12 months to July 2022: 11.07%). Significant downside risk is present in the market in the near to medium-term due to the weak UK economic environment, even though the Cambridge residential property market has robust characteristics.

Fundraising

The College's fundraising efforts are primarily directed at raising monies through major gifts as well as by regular giving. During 2021 and 2022, the College rebuilt its development activities including the appointment of a new Development Director. Total donations for the year were £1.47 million (FY2021-22: £3.30 million). The comparison is

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distorted by the change in accounting policy for donations as discussed earlier in the report. A three-year average of £1.97m gives a more accurate indication of the College's fundraising activities.

The College is immensely grateful to its alumni and supporters, especially during these challenging economic times. During the year, 1,340 alumni donated to the College representing 14% of the contactable alumni on our records.

During the year, the College started to lay the foundations of a fundraising campaign aimed at ensuring that the College continues to thrive and prosper in an increasingly uncertain world.

Pensions

The College's share of the deficit in USS and the deficit in the FCASSF as at 31st July was £1.71 million as at year end (2022: £2.68 million).

The most significant element of this sum was the College's share of the deficit in USS of £1.62 million, that included an additional charge of £0.09 million made during the year. The sum reflects the level of service contribution and deficit recovery plan that was agreed and implemented between the USS scheme manager and employers in April 2022.

The formal valuation of USS, based on March 2023, has materially changed the scheme's financial position, indicating a scheme surplus of £8.5 billion. As a result during 2024, USS will reverse the changes implemented in April 2022.

The deficit in the FCASSF, reduced to £0.09 million as at 31st July 2023 (2022: deficit -£1.20 million), reflecting a significant change in the assumptions used to undertake the calculation as a result of the dramatic increase in UK interest rates. The impact of the change in assumptions has been a significant fall in the present value of the future liabilities of the scheme.

In January 2023, the College entered into a revised deficit recovery programme with the FCASSF, based on the formal triennial valuation as at 31st July 2021. The programme is ten years in length, based on an annual sum of £207,000 inflated at a rate of 10% from 2023. As part of the programme, the College provided 64 Storey's Way, the Master's Lodge as a contingent asset, after obtaining the approval of the Charity Commission in June 2023.

Further details of the College's pension arrangements are set out in note 27.

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Looking ahead

In 2020-21 the College came together to develop plans for the future through an approach of evolution rather than revolution. The College Plan is a living document that sets out our ambitions and progress. During the year, significant work has been undertaken by in the creation of an Estate Masterplan, and we are in the process of reviewing a similar strategic plan for our academic activities. As the College moves into its next fundraising campaign, confidence in – and engagement with – these plans will be fundamental.

Fellowship

Above all Fitzwilliam is an academic community. Every year, of course, we see departures and retirements, but this year we suffered the collective shock and sadness at the premature death of Professor James (Jim) Aitken. Jim embodied our core values, recognised the importance of traditions, but also supported change to move the College forward.

The College continues to benefit from strong governance structures with the fellowship actively involved in discussions and decisions, and we operate in a constructive and collaborative manner. There will always be complex issues to resolve and tough choices over priorities, but how we navigate these decisions is crucial for the collegiality and confidence of the whole community.

Admissions

Our undergraduate admission round this year was strong: of our Home undergraduates who started in October 2023, 83% come from state schools. Many schools and their pupils struggled during the pandemic, and the impact of this is still very much being felt through a wider attainment gap between affluent and disadvantaged school students.

Positively, the Foundation year had a successful inaugural year, and, as one would hope, our 'Fitz' cohort received a very warm welcome and integrated well into everyday student life. Fitzwilliam hosted the second intake's introductory events in September 2023, keeping our Foundation Year connection strong.

In October 2023, we welcomed a record number of postgraduate students. They form a vibrant and valued section of our student body. We know, however, that financial support for postgraduates is a significant problem and needs to be a focus of future fundraising efforts.

Academic Performance

As a result of the marking and examination boycott, many results are late. This has been tough: a lot of our students have ended their academic careers - or entered the next stage - with only provisional certainty. Following the interruptions of the pandemic and the compromises required, it has seemed particularly hard for this generation of students.

Student Progression

We take collective pride in the high number of students choosing 'Fitz' and our determination to seek out potential students with motivation and ability regardless of their backgrounds. In other words, we are doing well at 'getting-in'. Now the College has committed to strengthening our support to help students in 'getting-on': to receive the full benefit from their time at the College and in Cambridge and be prepared for life beyond. The academic year 2023-24 sees the launch of FITZ+, which will bring colleagues together in a structured way to offer more support in addition to all that is currently done. This is very much a pilot year, and it will be interesting to see what works, how students receive the initiative, and what changes and additions we should make in the future.

College Finances and 'cost of living' pressures

Although for the first time in three years the College's financial performance was stable, the year was financially challenging both at 'Fitz' and in the UK. It is likely that financial pressures will continue to be a feature of the years to come – one might say it was ever thus at 'Fitz' – and we will take a pragmatic and proactive approach always ensuring we 'live within our means'. It is precisely when times are tough that it is vital not to lose sight of opportunities for growth, and we have moved forward on several big projects despite the challenges.

Beyond the macro, there have been personal financial pressures this year. We have been active at every level, from providing one-off 'cost of living' bursaries to students or turning off a computer at the end of the day to moving towards better insulation and more energy-efficient white goods. Within our limited means, we have prioritised paying the Real Living wage to our permanent staff members and paid two 'cost of living' payments.

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Conference season

The summer 2023 conference season was busy and marked a return to the pre-pandemic income levels. Staff members have worked very hard to deliver a much-needed boost to our income. There are, however, also lessons to be learned and new ideas to consider: our current conference model is high-intensity, low-margin and physically demanding, both on our human resources and our fabric. It is a good time to take a hard look at our vacation activity.

Sustainable development

We have moved on significantly this year in our Estate Masterplan. The 'Building for the future' architectural exhibition the College held was both a reminder of the brilliance of the original and later plans and helped us develop confidence for how we shape our future in this area. The Fellowship has dedicated significant time and effort to scrutinising plans, engaging in consultation, and pooling expertise to make decisions that will change the College site for the next generation. We are installing solar panels on the auditorium, moving forward to renovate M-P Staircases and seeking planning permission for a satellite extension to P-Staircase. We will need to manage the short-term impact of construction to deliver longer-term gains.

Social Life and Events

We embrace our collegiate identity through our 'extra-curricular' activities: concerts, talks, exhibitions and freezing on the touchline to watch both women's and men's football teams' triumph at Cuppers. The social life of the college means different things to all of us, of course, but it is good that there are many ways to be involved.

Our role in Cambridge and beyond

The College continues to play a valuable role in the wider University – both in terms of our academic research output and our contribution to leadership and governance across departments – particularly with two of the five PVCs from Fitzwilliam. The Master serves on the University Council and Colleges' Standing Committee.

'Fitz' is an outward-looking community, active in the University, the city, the country and beyond. We nurture students who leave us ready to participate in the world in myriad ways. Extending critical thinking and engagement is vital.

Higher Education is under pressure: money is tight and will continue to be so; there are criticisms of non-vocational type courses and about quality. HE collectively is being asked important questions about value for money and quality and about how institutions engage with complex and sometimes divisive issues. 'Fitz' recognises the need to participate confidently in these discussions.



Baroness Morgan of Huyton

Master

Date: 29th November 2023



R G Cantrill

Bursar

Date: 29th November 2023

ORGANISATION AND GOVERNANCE

Members of, and academic visitors to, the College, both students and Fellows, are the prime beneficiaries of the Charity. The College is constituted by Royal Charter as a self-governing body of scholars. This means that the Fellows who are members of the Governing Body are also Trustees of the Charity. This places a special fiduciary duty on the Governing Body to ensure that the private benefit accruing to the Master and Fellows through stipends and related benefits is objectively reasonable, measured against academic stipends generally; the Governing Body is satisfied that this is the case, noting particularly that annual pay increases normally follow national settlements applying to the university sector.

Any employment and/or remuneration of the Master and Fellows is undertaken with the intention of furthering the College's charitable purposes. The main officers of the College such as the Master, Bursar, Development Director, Senior Tutor, Director for Communications and Engagement, College Lecturers, Tutors, Directors of Studies, and Dean receive stipends. Fellows of the College may also receive remuneration for undertaking teaching. No remuneration is paid for undertaking the role of Trustee. Remuneration received by Fellows for teaching and the performance of other College Offices in the year FY2022-23 was £1.11 million (FY2021-22: £0.94 million). Office facilities are also provided for all Fellows.

As beneficiaries of the Charity the Fellows receive certain allowances and privileges to support them in their teaching and research activities. These include a research allowance, dining rights and the use of College guest rooms for academic visitors.

Subject to availability and need, the College Statutes also require the Governing Body to make available residential accommodation in the College free of any rental charge. Resident Fellows pay a charge to cover the costs of servicing this accommodation. During FY2022-23 there were 16 Fellows resident in the College. Research Fellows who choose not to live in the College are paid a living out allowance.

The College operates a housing loan scheme to support new Fellows acquiring their first property in the Cambridge area. The purpose is to enable the College to attract new Fellows and thereby to strengthen the teaching and research undertaken within the College. The loans are made at a rate of interest which is not less than the Official Rate of interest, as determined by HM Revenue & Customs from time to time, which should be applied to beneficial loans made by employers to employees. At the end of the financial year 2022-23 there were two housing loans outstanding with a balance of £0.29 million.

Stipends and Remuneration

Stipends and other aspects of trustee benefits are determined by the Governing Body, acting under advice from the Stipends and Remuneration Committee. The membership of the Committee comprises three external members and two internal members (who do not draw stipends from the College) plus the Master. The Chair of the Committee is an external member. For any matters concerning the remuneration of the Master, the Master withdraws, and the President becomes a member.

The Committee meets three times a year unless circumstances require an additional meeting. Individual stipends are reviewed on a three yearly cycle, except for the Master whose stipend is reviewed five years from appointment. The Committee oversees and reviews all individual salaries, stipends and allowances paid to academic staff, including trustees, and the annual process of making individual salary increments and special bonus awards to non-academic staff. In determining a level of remuneration which is objectively reasonable and fair, the Committee has regard to comparative data available for similar roles across Cambridge Colleges and for other stipendiary roles within the College. Recommendations from the Stipends and Remuneration Committee must by Statute be approved by the Governing Body, which by convention only approves or rejects the recommendations; it does not amend them.

Principal Policies

Employment

The College consults with its non-academic staff members through staff team meetings, Head of Department meetings and staff townhalls held by the Bursar and the Director of Operations. Training needs are identified on an individual basis through regular appraisals and are addressed through both external and internal provision. The College is committed to the principle and practice of equal opportunities and seeks to apply these in all its employment related activities. After the closure of the FCASSF scheme to new contributions in 2004, non-academic staff members were offered the opportunity to join Universities Superannuation Scheme (USS) upon completion of a satisfactory probationary period. This option closed on 31st October 2013, since when staff who are not already a member of the

ORGANISATION AND GOVERNANCE

above schemes have been offered membership of the Cambridge Colleges Group Personal Pension scheme, a defined contribution scheme operated by Aviva Life and Pensions UK Ltd. There remains a significant number of current and former staff members who have accrued benefits in FCASSF and in USS.

Fundraising

In line with other activities, the College has created a risk template relating to Donations. This template is reviewed annually by the Development Committee. The College has not used professional fundraisers during the year and has not received any complaints about its fundraising practices. During the year, the College managed its own telephone fundraising campaign in-house. Fitzwilliam has voluntarily registered with the Fundraising Regulator and as such has agreed to follow and uphold the criteria set out by the Code of Fundraising Practice and the Fundraising Promise, as these relate to our institution.

Investment

The primary investment objective for Fitzwilliam College is to protect the real value of the capital base and the income generated from it.

The College investment portfolio is divided between directly held External Properties and a DIP managed by professional investment managers. The External Properties, in normal market conditions, is expected to generate a higher yield and lower volatility than the DIP.

DIP

The College has chosen to adopt the Total Return accounting practice for the DIP, to allow its fund managers greater flexibility in the range of investments utilised. An “income rule”, determined by College Ordinance, is used to determine the prudent amount to take as income from investments; the maximum that can be taken as income in any one year has been set at up to 3.5% of the average the last five years’ valuations, lagged by one year. The planned drawdown for the year is reviewed in advance by the Investment Advisory Committee to ensure that the actual amount taken is prudent and sustainable.

The College is a long-term investor, and recognises that, over this time period, investment risks are necessary to achieve its long-term investment objectives. These risks may include both price volatility and illiquidity. The Governing Body considers that this is consistent with a willingness to accept, in normal market conditions, a one in 20-year risk of a loss in value of 15% or more in one year.

Responsible investment policy

The College adheres to Charity Commission guidance on responsible investments. A full statement of the College’s Investment Policy may be found on the College website. The policy was updated and implemented in October 2022, reflecting a new responsible investment approach. The new policy enacts the College’s commitment to environmentalism and social responsibility, and highlights that everyone needs to continue to assess how they can effectively contribute towards halting the climate crisis. Going forward, the College will not invest the DIP (excluding private equity), either directly or indirectly in the fossil fuels (where a company’s revenue is more than 10%), tobacco or defence (companies manufacturing weapons) sectors and will measure its investments against the ‘leader’ ESG rating; and will ensure that the College’s investments are managed, not just based on their financial performance and value for money, but also embodying the College’s social purpose and the example it sets as a community to others.

Risk Management

The Governing Body has adopted a “top-down” approach to the management of risk. 18 strategic risks, grouped thematically, have been identified by the Governing Body on the basis that they would directly impact the achievement of the College’s strategic goals. Responsibility for their management, including the identification and management of sub-risks, passed to nominated risk owners under the oversight of the appropriate College committee. The Audit Committee reports annually to the Governing Body on the management of risks.

The risk management process involves the assessment of the College’s ‘Risk Appetite’ for each risk. The components of the risk are then identified as ‘sub-risks’ and the risk is scored for severity, based upon an assessment of its likelihood and maximum potential impact before the application of controls. Controls are identified which bring the risk to within the appetite. The score after the application of controls determines whether additional actions are required to manage the risk, and the ratio between the scores before and after controls is a measure of ‘control effectiveness’. Each risk is reviewed by its oversight committee at least once a year. For FY2022-23, meetings were held with the relevant risk owners to agree any changes to the scoring.

ORGANISATION AND GOVERNANCE

The biggest risks after mitigation relate to external factors which, by definition, are outside the direct control of the College. These include the impact of a pandemic, the impact of Brexit, Government policy on student finance, the interventions of the Office for Students, the impact of pension deficits, reputational risk relating to disputes with third parties and general economic conditions affecting students. Control activities are focussed on improving the College's ability to anticipate and plan for these eventualities by working closely with other colleges and the University to ensure that the impacts of such changes are fully understood by decision makers.

Investment risk scores highly on the College's risk management system, but because the College is a long-term investor, this is within the risk appetite set by the Governing Body.

The internal risks that score most highly are those relating to loss or impairment of physical assets, failure to attract, retain and deploy competent assistant staff, failure to maintain a safe environment for the College members, visitors and staff and failure of information systems, security breach or critical loss of data. The Governing Body believes that established control systems are fit for purpose in managing these risks.

The College has a strong system of financial and management controls. The financial cycle begins with the approval by the Governing Body of the annual budget as part of this process the Governing Body also reviews three-year projections. Monthly management accounts, incorporating budget comparisons and forecasts are prepared and are scrutinised by the College Committee. Budget responsibility is devolved from the Bursar to Heads of Departments, and the Bursar undertakes regular reviews of performance at this level.

Safeguarding

The College aims to adopt the highest standards and take all reasonable steps in relation to the safety and welfare of children and adults at risk. The Safeguarding policy is published on the College website. The College safeguarding officer is the Bursar who reports annually to the Governing Body on safeguarding matters. Through the Senior Tutors' Committee and relevant welfare committees, the College works closely with other colleges and with the University to ensure consistency and fairness across collegiate Cambridge.

STATEMENT OF INTERNAL CONTROL

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

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. This process was in place for the year ended 31st July 2023, and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control.

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

STATEMENT OF RESPONSIBILITIES OF THE GOVERNING BODY

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the financial statements of Fitzwilliam College (the 'College') for the year ended 31st July 2023 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 a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31st July 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Trustees

As explained more fully in the responsibilities of the Governing Body statement set out on page 22, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation

INDEPENDENT AUDITORS' REPORT

legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;

- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

Use of our report

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

INDEPENDENT AUDITORS' REPORT

PETERS ELWORTHY & MOORE

Peters Elworthy & Moore

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date:

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2020.

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6. The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertaking, Fitzwilliam College Services Limited. The company is a wholly owned subsidiary of the College. Details of the subsidiary undertaking are given in note 28.

The consolidated financial statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control.

Recognition of income

Academic fees

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

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.

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; and
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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Recognition of income (continued)

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 College adopts a total return policy with regard to its endowment assets (excluding property). Spendable income up to a maximum of 3.5% of the average relevant endowment based on a five-year rolling average and lagged by one year is included as endowment income as agreed by the Governing Body each year. The agreed spendable income percentage for the year ended 31 July 2023 was 3.00%.

Other income

Income is received from a range of activities including accommodation, catering, conferences and other services rendered and recognised in the period it becomes receivable.

Funds received and disbursed as paying agent

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the College as it is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Cambridge bursary scheme

In 2022-23, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). Consequently, 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 £0.17 million is included within the Consolidated Statement of Comprehensive Income and Expenditure as part of education expenditure shown in note 4.

Foreign currency translation

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

Fixed assets

Land and buildings

Fixed assets are stated at depreciated replacement cost less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College. Freehold land is not depreciated as it is considered to have an indefinite useful life.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Fixed assets (continued)

Land and buildings (continued)

The costs of freehold buildings are split between their different major components and depreciated on a straight-line basis over their expected useful economical lives as follows:

Structure – between 50 and 95 years

Fit-out, plant and machinery – 25 years

The College incurs substantial costs in maintaining its properties to expected high standards with the effect of increasing the expected future benefits and that is taken in consideration when making estimates of economic useful lives. Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

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

Furniture, fittings, general equipment, library books and motor vehicles

Furniture, fittings equipment and motor vehicles are capitalised at cost. The cost of library books is not capitalised and charged in full to the Income and expenditure account in the year of purchase. Depreciation is provided on a straight-line basis over the expected useful life of the assets as follows:

Furniture, fittings and general equipment	10 years
Catering and conference equipment	5 years
Motor vehicles	5 years
Computer equipment	4 years

Heritage assets

The College does not hold any material heritage assets and as such no further disclosures are considered required in these financial statements.

Leases

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

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.

Current assets

Current asset investments are held at fair value with movements recognised in the consolidated statement of Comprehensive Income and Expenditure.

Stocks

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Provisions

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

Contingent liabilities and assets

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

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

Financial instruments

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

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

Financial assets

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

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

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

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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 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.

Taxation

The College is a registered charity (number 1137496) 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 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.

Accounting for retirement benefits

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the College's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the College. The College should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the College pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The College pays contributions to two defined benefit pension schemes and one defined contribution pension scheme as follows:

Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the 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 statement of comprehensive income and expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the statement of comprehensive income and expenditure.

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 relate to the deficit) and the resulting expense in the statement of comprehensive income and expenditure in accordance with section 28 of FRS 102. The trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Fitzwilliam College Assistant Staff Superannuation Fund (FCASSF)

The College also contributes to the FCASSF, which is a similar defined benefit pension scheme. Pension costs are recognised on a systematic basis so that the costs of providing retirement benefits to employees are matched evenly, so far as possible, to the service lives of the employees concerned.

Cambridge Colleges AVIVA Group Personal Pension Scheme

The College contributes to a defined contribution pension scheme in order to meet the auto enrolment obligations. The scheme is administered by AVIVA and its' assets are held separately from those of the College. The College contributions will vary between 5.5% and 9% of basic salary depending on the level of each employee's personal contribution. Contributions are charged to the statement of comprehensive income and expenditure in the period to which they relate.

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Critical Accounting Estimates and Judgements

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

Management considers 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, pledges, 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.

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

Retirement benefit obligations – The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in notes 15 and 26.

Management is 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 2021 actuarial valuation, which defines the deficit payment required as a percentage of future salaries. 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 notes 16 and 27.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	2023				2022			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	4,057	0	0	4,057	3,938	0	0	3,938
Accommodation, catering and conferences	2	7,100	0	0	7,100	5,674	0	0	5,674
Investment income	3	478	0	658	1,136	220	0	375	595
Endowment return transferred	3	553	727	(1,280)	0	607	722	(1,329)	0
Other income		203	0	0	203	203	0	0	203
Total income before donations and endowments		12,391	727	(622)	12,496	10,642	722	(954)	10,410
Donations		559	0	0	559	492	0	0	492
New endowments		0	692	40	732	0	1,117	1,688	2,805
Grant from Colleges Fund		0	0	919	919	704	0	0	704
Other capital grants for assets		0	184	0	184	0	9	0	9
Total income		12,950	1,603	337	14,890	11,838	1,848	734	14,420
Expenditure									
Education	4	4,908	746	0	5,654	4,744	2,085	0	6,829
Accommodation, catering and conferences	5	7,219	0	0	7,219	6,309	0	0	6,309
Other expenditure		798	0	0	798	610	0	0	610
Past service cost in respect of pension schemes	27	89	0	0	89	776	0	0	776
Contribution under Statute GII		0	0	0	0	0	0	0	0
Total expenditure		13,014	746	0	13,760	12,439	2,085	0	14,524
Surplus/(deficit) before other gains and losses		(64)	857	337	1,130	(601)	(237)	734	(104)
Gain/(loss) on investments	9	0	(60)	(673)	(733)	21	480	7,506	8,007
Surplus/(deficit) for the year		(64)	797	(336)	397	(580)	243	8,240	7,903
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	27	1,052	0	0	1,052	1,858	0	0	1,858
Total comprehensive income for the year		988	797	(336)	1,449	1,278	243	8,240	9,761

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

CHANGES IN RESERVES 2023

	<i>Income and expenditure reserve</i>			<i>2023</i>
	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance as at 1 August 2022	69,182	6,441	77,570	153,193
Surplus from income and expenditure statement	(64)	797	(336)	397
Other comprehensive income	1,052	0	0	1,052
Release of restricted capital funds spent in the year	59	(59)	0	0
Other transfers	(7)	(45)	43	(9)
Balance as at 31 July 2023	<u>70,222</u>	<u>7,134</u>	<u>77,277</u>	<u>154,633</u>

CHANGES IN RESERVES 2022

	<i>Income and expenditure reserve</i>			<i>2022</i>
	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance as at 1 August 2021	67,898	6,007	69,527	143,432
Surplus from income and expenditure statement	(580)	243	8,240	7,903
Other comprehensive income	1,858	0	0	1,858
Release of restricted capital funds spent in the year	9	(9)	0	0
Other transfers	(3)	200	(197)	0
Balance as at 31 July 2022	<u>69,182</u>	<u>6,441</u>	<u>77,570</u>	<u>153,193</u>

The notes on pages 40 to 55 form part of these accounts.

CONSOLIDATED BALANCE SHEET

		2023	2022
	Note	£000	£000
Non-current assets			
Fixed assets	8	73,334	74,532
Investments	9	96,049	95,098
Total non-current assets		<u>169,383</u>	<u>169,630</u>
Current assets			
Stocks	10	57	60
Trade and other receivables	11	2,801	2,611
Investments	12	17,500	16,500
Cash and cash equivalents	13	9	8
Total current assets		<u>20,367</u>	<u>19,179</u>
Creditors: amounts falling due within one year	14	<u>(3,210)</u>	<u>(2,515)</u>
Net current assets		<u>17,157</u>	<u>16,664</u>
Total assets less current liabilities		186,540	186,294
Creditors: amounts falling due after more than one year	15	(30,205)	(30,419)
Provisions			
Pension provisions	16	(1,702)	(2,682)
Total net assets		<u>154,633</u>	<u>153,193</u>
Restricted reserves			
Income and expenditure reserve – endowment reserve	17	77,277	77,570
Income and expenditure reserve – restricted reserve	18	7,134	6,441
		<u>84,411</u>	<u>84,011</u>
Unrestricted reserves			
Income and expenditure reserve – unrestricted		70,222	69,182
Total reserves		<u>154,633</u>	<u>153,193</u>

The financial statements were approved by the Governing Body on 29th November 2023 and signed on its behalf by:

Baroness Morgan of Huyton
Master

R G Cantrill
Bursar

The notes on pages 40 to 55 form part of these accounts.

CONSOLIDATED CASH FLOW STATEMENT

		2023	2022
	Note	£000	£000
<i>Net cash inflow from operating activities</i>	20	1,026	699
<i>Cash flows from investing activities</i>	21	(320)	(16,118)
<i>Cash flows from financing activities</i>	22	(803)	15,304
<i>Increase/(decrease) in cash and cash equivalents in the year</i>		<u>(97)</u>	<u>(115)</u>
<i>Cash and cash equivalents at beginning of the year</i>		<u>(145)</u>	<u>(30)</u>
<i>Cash and cash equivalents at end of the year</i>	23	<u>(242)</u>	<u>(145)</u>

The notes on pages 40 to 55 form part of these accounts.

NOTES TO THE FINANCIAL STATEMENTS

1. ACADEMIC FEES AND CHARGES

	2023	2022
	£000	£000
Colleges fees:		
Fee income received at regulated undergraduate rate	2,008	1,946
Fee income received at unregulated undergraduate rate	948	890
Fee income received at the graduate rate	1,101	1,102
	<u>4,057</u>	<u>3,938</u>
	<u><u>4,057</u></u>	<u><u>3,938</u></u>

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2023	2022
	£000	£000
Accommodation:		
College members	3,758	3,529
Conferences	996	454
Catering:		
College members	1,399	1,338
Conferences	868	353
On-line Courses	79	0
	<u>7,100</u>	<u>5,674</u>
	<u><u>7,100</u></u>	<u><u>5,674</u></u>

3. ENDOWMENT RETURN AND INVESTMENT INCOME

	2023	2022
	£000	£000
3a. Analysis of Investment Income:		
Income drawdown from endowment (note 3b)	1,280	1,329
Other investment income	478	220
	<u>1,758</u>	<u>1,549</u>
	<u><u>1,758</u></u>	<u><u>1,549</u></u>

NOTES TO THE FINANCIAL STATEMENTS

3b. Summary of Total Return

	2023	2022
	£000	£000
<u>Income from:</u>		
Quoted securities and cash	658	375
	<hr/>	<hr/>
<u>Gains/(Losses) on endowment assets:</u>		
Quoted securities and cash	(767)	4,042
	<hr/>	<hr/>
Total return for the year	(109)	4,417
Transfer to income and expenditure reserve (note 3a)	(1,280)	(1,329)
	<hr/>	<hr/>
Unapplied total return for the year included within the Statement of Comprehensive Income and Expenditure (note 18)	(1,389)	3,088
	<hr/> <hr/>	<hr/> <hr/>

The investment income recorded in note 3a for 2023 related to income receivable from land and buildings, quoted securities and cash investments.

4. EDUCATION EXPENDITURE

	2023	2022
	£000	£000
Teaching	3,032	3,017
Tutorial	939	866
Admissions	332	275
Research	430	391
Scholarships and awards	699	2,100
Other educational facilities	222	180
	<hr/>	<hr/>
	5,654	6,829
	<hr/> <hr/>	<hr/> <hr/>

5. RESIDENCES, CATERING AND CONFERENCES EXPENDITURE

	2023	2022
	£000	£000
<u>Accommodation:</u>		
College members	4,092	3,646
Conferences	878	747
<u>Catering:</u>		
College members	1,514	1,565
Conferences	707	351
On-line Courses	28	0
	<hr/>	<hr/>
	7,219	6,309
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

6a. ANALYSIS OF 2022/23 EXPENDITURE BY ACTIVITY

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	2,353	2,730	571	5,654
Accommodation, catering and conferences	2,972	2,926	1,321	7,219
Other	144	740	3	887
	<u>5,469</u>	<u>6,396</u>	<u>1,895</u>	<u>13,760</u>

The above expenditure includes fundraising costs of £261,424 (FY2021-22: £289,901).
 This expenditure includes the costs of alumni relations.

6b. ANALYSIS OF 2021/22 EXPENDITURE BY ACTIVITY

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	2,915	3,335	579	6,829
Accommodation, catering and conferences	2,629	2,360	1,320	6,309
Other	166	441	3	610
	<u>5,710</u>	<u>6,136</u>	<u>1,902</u>	<u>13,748</u>

6c. AUDITORS' REMUNERATION

	2023 £000	2022 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	26	27
Other fees payable to the College's external auditors	0	2

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS

	Academic £000	Non- academic £000	2023 Total £000	2022 Total £000
<i>Staff costs:</i>				
Salaries	755	3,714	4,469	4,117
National Insurance	109	291	400	345
Pension costs	200	311	511	472
USS deficit contribution	89	0	89	776
	<u>1,153</u>	<u>4,316</u>	<u>5,469</u>	<u>5,710</u>
	<u><u>1,153</u></u>	<u><u>4,316</u></u>	<u><u>5,469</u></u>	<u><u>5,710</u></u>
	No	No	No	No
<i>Average staff numbers:</i>				
Academic	50	0	50	49
Non-academic	0	106	106	102
	<u>50</u>	<u>106</u>	<u>156</u>	<u>151</u>
	<u><u>50</u></u>	<u><u>106</u></u>	<u><u>156</u></u>	<u><u>151</u></u>

The Governing Body comprised an average number of 58 Fellows of which 41 were stipendiary. No officer or employee of the College, including the Head of House, received emoluments of over £100,000.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College.

During the year, emoluments paid to Trustees including key management personnel in their capacity as College Officers were:

	2023 £000	2022 £000
Aggregate Emoluments	943	1,017
	<u>943</u>	<u>1,017</u>
	<u><u>943</u></u>	<u><u>1,017</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £000	Assets under construction £000	Furniture, fittings and equipment £000	Motor vehicles £000	2023 Total £000	2022 Total £000
Cost						
At beginning of year	83,353	198	7,443	19	91,013	90,129
Additions	242	231	255	0	728	1,198
Transfers	198	(198)	0	0	0	0
Disposals	(31)	0	0	0	(31)	(314)
At end of year	83,762	231	7,698	19	91,710	91,013
Depreciation						
At beginning of year	10,136	0	6,337	8	16,481	14,703
Charge for the year	1,553	0	339	3	1,895	1,903
Eliminated on disposals	0	0	0	0	0	(125)
At end of year	11,689	0	6,676	11	18,376	16,481
Net book value						
At end of year	72,073	231	1,022	8	73,334	74,532
At beginning of year	73,217	198	1,106	11	74,532	75,426

The insured replacement cost of freehold land and buildings as at 31 July 2023 was £98,308,671

9. INVESTMENTS

	2023 £000	2022 £000
Balance at beginning of year	95,098	86,072
Additions	9,311	40,109
Disposals	(8,428)	(42,320)
Gain/(Loss)	(733)	8,007
Increase/(decrease) in cash balances	801	3,230
Balance at end of year	96,049	95,098
Represented by:		
Investment properties	39,178	39,100
Quoted securities - equities	53,174	53,102
Cash held at investment managers	1,981	2,232
Bank balances	1,716	664
	96,049	95,098

NOTES TO THE FINANCIAL STATEMENTS
10. STOCKS

	2023	2022
	£000	£000
Goods for resale	57	60
	<u> </u>	<u> </u>

11. TRADE AND OTHER RECEIVABLES
Due within one year

	2023	2022
	£000	£000
Members of the College	214	227
Other debtors	2,587	2,384
	<u> </u>	<u> </u>
	2,801	2,611
	<u> </u>	<u> </u>

12. CURRENT INVESTMENTS
Deposits maturing:

	2023	2022
	£000	£000
In one year or less	17,500	6,500
Between one and two years	0	10,000
	<u> </u>	<u> </u>
	17,500	16,500
	<u> </u>	<u> </u>

Deposits are held with banks operating in the UK and licensed by the Financial Services Authority on one month or more maturity terms. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. The fair value of these deposits was not materially different from the book value.

13. CASH AND CASH EQUIVALENTS

	2023	2022
	£000	£000
Current accounts	5	5
Cash in hand	4	3
	<u> </u>	<u> </u>
	9	8
	<u> </u>	<u> </u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£000	£000
Bank overdraft	251	153
Members of the College	479	1,228
Other creditors	2,480	1,134
	<u> </u>	<u> </u>
	3,210	2,515
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

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

	2023	2022
	£000	£000
Bank loans	10,000	10,000
Private placement	20,000	20,000
Committed Scholarships	205	419
	<u>30,205</u>	<u>30,419</u>

The £10m bank loan is unsecured and repayable in full by 30 July 2058 at a fixed rate of 4.93% per annum. The £20m private placement was issued during the year ending 31 July 2022 with a fixed interest rate of 1.54% and repayable in full by 31 January 2072.

16. PENSION PROVISIONS

	To fund deficit on USS pension £000	Defined benefit obligation (note 24) £000	2023 Total £000	2022 Total £000
Balance at beginning of year	1,478	1,204	2,682	3,915
Movement in year:				
Contributions	89	(207)	(118)	569
Other expenditure	49	141	190	56
Past service cost in respect of pension schemes	0	0	0	0
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	0	(1,052)	(1,052)	(1,858)
Balance at end of year	<u>1,616</u>	<u>86</u>	<u>1,702</u>	<u>2,682</u>

USS Provision

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

The major assumptions used to calculate the obligation are set out below:

	2023	2022
Discount rate	5.52%	3.31%
Salary growth	6.00%	3.50%

NOTES TO THE FINANCIAL STATEMENTS

17. ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2023 Total £000	2022 Total £000
Balance at beginning of year:				
Capital	21,139	56,431	77,570	69,527
New donations and endowments	40	0	40	1,688
Other transfers	0	0	0	(277)
Capital grant from Colleges Fund	0	919	919	0
Increase/(decrease) in market value of investments	(527)	(725)	(1,252)	6,632
	<u>20,652</u>	<u>56,625</u>	<u>77,277</u>	<u>77,570</u>
Balance at end of year	<u><u>20,652</u></u>	<u><u>56,625</u></u>	<u><u>77,277</u></u>	<u><u>77,570</u></u>

Analysis by type of purpose:

Fellowship and Research Funds	7,277	0	7,277	7,464
Scholarship and Prize Funds	3,394	214	3,608	3,709
Chapel Funds	493	0	493	508
Travel Grant Funds	507	0	507	519
Hardship Funds	5,607	0	5,607	5,716
Other Funds	3,374	0	3,374	3,436
General endowments	0	56,411	56,411	56,218
	<u>20,652</u>	<u>56,625</u>	<u>77,277</u>	<u>77,570</u>
	<u><u>20,652</u></u>	<u><u>56,625</u></u>	<u><u>77,277</u></u>	<u><u>77,570</u></u>

Analysis by asset:

Property	0	38,049	38,049	38,014
Investments	20,652	18,576	39,228	39,556
Cash	0	0	0	0
	<u>20,652</u>	<u>56,625</u>	<u>77,277</u>	<u>77,570</u>
	<u><u>20,652</u></u>	<u><u>56,625</u></u>	<u><u>77,277</u></u>	<u><u>77,570</u></u>

NOTES TO THE FINANCIAL STATEMENTS

18. RESTRICTED RESERVES

Reserves with restrictions are as follows:

Consolidated	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2023 Total £000	2022 Total £000
Balance at beginning of year					
Capital	0	0	4,568	4,568	4,392
Accumulated income	0	1,692	181	1,873	1,615
	<u>0</u>	<u>1,692</u>	<u>4,749</u>	<u>6,441</u>	<u>6,007</u>
New capital grants	184	0	0	184	9
New donations	0	0	692	692	1,117
Other transfers	0	382	(392)	(10)	277
Endowment return transferred	2	590	126	718	722
Increase/(decrease) in market value of investments	0	0	(87)	(87)	403
Expenditure	0	(364)	(382)	(745)	(2,085)
Capital grants utilised	(59)	0	0	(59)	(9)
	<u>127</u>	<u>2,300</u>	<u>4,706</u>	<u>7,134</u>	<u>6,441</u>
Balance at end of year	<u><u>127</u></u>	<u><u>2,300</u></u>	<u><u>4,706</u></u>	<u><u>7,134</u></u>	<u><u>6,441</u></u>
Comprising:					
Capital	127	0	4,485	4,613	4,568
Accumulated income	0	2,300	221	2,521	1,873
	<u>127</u>	<u>2,300</u>	<u>4,706</u>	<u>7,134</u>	<u>6,441</u>
	<u><u>127</u></u>	<u><u>2,300</u></u>	<u><u>4,706</u></u>	<u><u>7,134</u></u>	<u><u>6,441</u></u>
Analysis of other restricted funds/donations by type of purpose:					
Fellowship and Research Funds	0	632	97	730	687
Scholarship and Prize Funds	0	184	281	465	368
Chapel Funds	0	572	0	572	543
Travel Grant Funds	0	62	1	63	60
Hardship Funds	0	464	1,950	2,414	2,093
Building Funds	127	0	1,192	1,319	1,189
Other Funds	0	386	1,185	1,571	1,501
	<u>127</u>	<u>2,300</u>	<u>4,706</u>	<u>7,134</u>	<u>6,441</u>
	<u><u>127</u></u>	<u><u>2,300</u></u>	<u><u>4,706</u></u>	<u><u>7,134</u></u>	<u><u>6,441</u></u>

NOTES TO THE FINANCIAL STATEMENTS

19. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Within reserves the following amounts represent the unapplied Total Return of the College:

	2023	2022
	£000	£000
Initial unapplied Total Return	33,478	30,390
Unapplied Total Return for the year (note 3b)	(1,389)	3,088
	<u>32,089</u>	<u>33,478</u>
Unapplied Total Return at end of year	<u>32,089</u>	<u>33,478</u>

20. RECONCILIATION OF CONSOLIDATED SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023	2022
	£000	£000
Surplus for the year	397	7,903
Adjustment for non-cash items		
Depreciation	1,895	1,902
Increase in stocks	3	(3)
Increase in trade and other receivables	(415)	(305)
Increase in creditors	425	1,338
Pension costs less contributions payable	150	(249)
Past service cost of pension schemes	0	776
Gains on endowments, donations and investment properties	733	(8,007)
Adjustment for investing or financing activities		
Investment income	(1,130)	(538)
Interest payable	803	696
New endowments	(732)	(2,805)
Capital grant from colleges fund	(919)	0
Other capital grants for assets	(184)	(9)
	<u>1,026</u>	<u>699</u>
Net cash inflow from operating activities	<u>1,026</u>	<u>699</u>

NOTES TO THE FINANCIAL STATEMENTS

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2023	2022
	£000	£000
Proceeds from sales of endowment assets	8,430	42,328
New endowment funds received	975	1,934
Capital grant received from Colleges Fund	919	0
Other capital grants for assets	184	9
Investment income	1,025	359
Endowment funds invested	(9,310)	(40,109)
Placed deposits	(1,801)	(19,730)
Payments made to acquire non-current fixed assets	(746)	(992)
Fitzwilliam Society loan movement	4	6
Loan repayments by Fellows	0	77
	<u> </u>	<u> </u>
Total cash flows from investing activities	(320)	(16,118)
	<u> </u>	<u> </u>

22. CASH FLOWS FROM FINANCING ACTIVITIES

	2023	2022
	£000	£000
Interest paid	(803)	(696)
Private placement	0	20,000
Bank loan repaid	0	(4,000)
	<u> </u>	<u> </u>
Total cash flows from financing activities	(803)	15,304
	<u> </u>	<u> </u>

23. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Note	At beginning of year £000	Cash flows £000	At end of year £000
Cash at bank and on deposit	13	8	1	9
Bank overdraft	14	(153)	(98)	(251)
		<u> </u>	<u> </u>	<u> </u>
		(145)	(97)	(242)
		<u> </u>	<u> </u>	<u> </u>

24. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT

	Note	At beginning of year £000	Cash flows £000	At end of year £000
Cash and cash equivalents	13	8	1	9
Borrowings: amounts falling due within one year				
Bank overdraft	14	(153)	(98)	(251)
Borrowings: amounts falling due after more than one year				
Unsecured loans	15	(30,000)	0	(30,000)
		<u> </u>	<u> </u>	<u> </u>
		(30,145)	(97)	(30,242)
		<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

25 FINANCIAL INSTRUMENTS

	2023	2022
	£000	£000
Financial assets		
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	9	8
Current asset investments	17,500	16,500
Other debtors	2,801	2,611
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft	251	153
Loans	30,000	30,000
Other creditors	3,210	2,781

26. CAPITAL COMMITMENTS

	2023	2022
	£000	£000
Capital commitments at 31 July 2023 are as follows:		
Authorised and contracted	382	424
Authorised but not yet contracted for	<u>0</u>	<u>0</u>

27. PENSION SCHEMES

Universities Superannuation Scheme

The total cost charged to the statement of comprehensive income and expenditure was as follows:

	2023	2022
	£000	£000
Total employer contributions during the year	402	374
Add: contributions credit relating to past service (note 16)	89	776
Amount charged to the statement of comprehensive income and expenditure	<u>491</u>	<u>1,150</u>

The latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2020 (the valuation date), which 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 2021 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £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%.

NOTES TO THE FINANCIAL STATEMENTS

27. PENSION SCHEMES (continued)

Universities Superannuation Scheme (continued)

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

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

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

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

The current life expectancies on retirement at age 65 are:

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

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

	2023	2022
Discount rate	5.52%	3.31%
Pensionable salary growth	6.00%	3.50%

NOTES TO THE FINANCIAL STATEMENTS

27. PENSION SCHEMES (continued)

Fitzwilliam College Assistant Staff Superannuation Fund (FCASSF)

The College recognises any gains and losses in each period in Other Comprehensive Income.

The College operates a defined benefit pension scheme that pays out pensions at retirement based on service and final pay.

The funding policy is agreed between the Scheme trustees and the College and is formally set out in a Statement of Funding Principles, Schedule of Contributions and Recovery Plan following each full actuarial valuation.

A full actuarial valuation of the Scheme was carried out at 31 July 2021 and the defined benefit obligation has been adjusted to the reporting date of 31 July 2023 using an approximate roll-forward approach, allowing for benefits paid to members over the period, as well as back payments made to insured and non-insured pensioners during the period..

Changes in the present value of the defined benefit obligations and in the fair value of scheme assets:

	Present value of defined benefit obligation		Fair value of scheme assets		Net liability recognised in the balance sheet	
	2023 £000	2022 £000	2023 £000	2022 £000	2023 £000	2022 £000
Opening balance	(5,433)	(7,475)	4,229	4,256	(1,204)	(3,219)
Interest (expense)	(178)	(118)	0	0		
Interest income	0	0	141	68	(37)	(50)
Actuarial gain	1,487	1,983	0	0	1,487	1,983
Benefits paid	100	177	(100)	(177)	0	0
Loss/(gain) on settlement	90	0	(194)	0	(104)	0
Return on scheme assets	0	0	(435)	(125)	(435)	(125)
Employer contributions	0	0	207	207	207	207
Administration fees	0	0	0	0	0	0
Past service cost	0	0	0	0	0	0
Closing balance	<u>(3,934)</u>	<u>(5,433)</u>	<u>3,848</u>	<u>4,229</u>	<u>(86)</u>	<u>(1,204)</u>

The amounts recognised in the income and expenditure account are as follows:

	2023 £000	2022 £000
<i>In other expenditure:</i>		
Interest expense (net)	141	50
	<u>141</u>	<u>50</u>
In past service cost in respect of pension schemes	0	0
	<u>0</u>	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS

27. PENSION SCHEMES (continued)

Fitzwilliam College Assistant Staff Superannuation Fund (continued)

The amounts taken to other comprehensive income are as follows:

Actuarial gain/(loss):	2023 £000	2022 £000
Return on pension scheme assets	(435)	(125)
Changes in assumptions underlying the present value of scheme liabilities	1,487	1,983
Net gain/(loss)	1,052	1,858

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2023 %	2022 %
Equities	45%	39%
Bonds	54%	58%
Property	2%	5%
Cash	2%	2%
Current liabilities	-3%	-4%

Principal actuarial assumptions as at the balance sheet date (expressed as weighted averages):

a) Key assumptions

	2023	2022
Discount rate	5.05% pa	3.30% pa
RPI inflation	3.15% pa	3.10% pa
Future salary increases	3.70% pa	3.90% pa
Pension increases in payment:		
- RPI - minimum 3%, maximum 5%	3.70% pa	3.55% pa
Mortality – Life expectancy (male aged 65)	86.0	87.0
Cash commutation allowance	Members take 25% of their pension as tax free cash	Members take 25% of their pension as tax free cash
Assumed commutation factor at 65:		
Fixed 3% increasing pension	20.7	20.7
RPI min 3% max 5% increasing pension	21.4	21.4

Cambridge Colleges AVIVA Group Personal Pension Scheme

The College joined this defined contribution pension scheme during the current year in order to meet the auto enrolment obligations. The scheme is administered by AVIVA and its' assets are held separately from those of the College.

The College contributions will vary between 5.5% and 9% of basic salary depending on the level of each employee's personal contribution. Contributions charged to the income and expenditure account during the year were £110K (2022 - £98K).

NOTES TO THE FINANCIAL STATEMENTS

28. SUBSIDIARY UNDERTAKING

The subsidiary company (which is registered in England & Wales), wholly owned by the College, is as follows:

Company	Principal Activity	Status
Fitzwilliam College Services Limited owned.	Provision of conference management services	100%

29. RELATED PARTY TRANSACTIONS

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

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

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 College Committee.

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

From	To	2023 Number	2022 Number
£0	£10,000	21	22
£10,001	£20,000	3	3
£20,001	£30,000	6	4
£30,001	£40,000	4	3
£40,001	£50,000	0	2
£50,001	£60,000	3	2
£60,001	£70,000	1	2
£70,001	£80,000	2	1
£80,001	£90,000	1	1
£90,001	£100,000	0	0
	Total	<u>41</u>	<u>40</u>

The total Trustee salaries were £634K for the year (2022: £745K)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £300K for the year (2022: £263K)

The College also operates a fellows housing loan scheme and at the end of the year the total amount included in debtors amounted to £307K (2022 - £294K). These loans are offered to fellows who meet the criteria on commercial terms.

The College has a subsidiary undertaking, Fitzwilliam College Services Ltd which is consolidated into these accounts. The subsidiary is 100% owned by the College and is 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.