

**NEWNHAM COLLEGE
CAMBRIDGE**



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2022**

Registered Charity No. 1137512

Contents	page
PART 1: ANNUAL REPORT	
Introduction and Summary Financial Results	3
Professional Advisers	4
Charity Trustees	5
Objects and Public Benefit	6
Operating and Financial Review	8
Corporate Governance and Statement of Internal Control	19
Responsibilities of the College Council and the Governing Body	20
Independent Auditor's Report	21
PART 2: FINANCIAL STATEMENTS	
Statement of Principal Accounting Policies	24
Consolidated Statement of Comprehensive Income and Expenditure	32
Consolidated Statement of Changes in Reserves	33
Consolidated Balance Sheet	34
Consolidated Cash Flow Statement	35
Notes to the Accounts	36

INTRODUCTION

Newnham College is one of the 31 colleges in the University of Cambridge. It was founded in 1871, and received its Royal Charter in 1917. According to the College's Charter, Statutes and Ordinances, only women can be admitted as junior members (students) or elected as senior members (Fellows). The College celebrated its 150th Anniversary in 2021-22.

The College admits full-time undergraduates studying for the University's Tripos degree courses; and postgraduates (predominantly full-time, but some part-time) studying for Masters, PhD and other postgraduate degrees, diplomas and certificates. The total number of full-time students as at 1 December 2021 was 651 (2020: 679), comprising 429 undergraduates and 222 postgraduates (2020: 429 and 222). The College's Governing Body had 66 Fellows as at 1 October 2022 (2021: 67), most of whom who are active in teaching and research within the University.

The College occupies a 17-acre site close to the centre of Cambridge, consisting of buildings built between 1875 and 2019, offering residential accommodation to more than 500 students, set in landscaped gardens. The buildings also house a library, teaching rooms, offices, shared eating spaces (dining hall, buttery, café), meeting rooms, common rooms and a gym.

The College is a Registered Charity, regulated by the Charity Commission; and is registered with the Fundraising Regulator.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which complies with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

SUMMARY FINANCIAL RESULTS

The financial statements consolidate the activities of the College and the College's subsidiaries: Newnham College Management Ltd, Newnham College Library Company Ltd, and Newnham College Ltd. The latter two companies are inactive.

For a third successive financial year, the College's finances were affected by the Covid-19 pandemic, with reduced operational income, in particular in relation to lost conference business in the first three months of the financial year, July to September 2021.

Total operational income for the year was £9.33m (2020-21: £7.15m), which included £3.57m (2020-21: £3.55m) in academic fees; and £4.09m (2020-21: £2.16m) from accommodation, catering and conferences. In addition, £4.58m (2020-21: £2.34m) in donations and legacies was received; and £3.46m (2021-22: £6.59m) of endowment return, was transferred following the College's total return rule. (The 2020-21 figure of £6.59m included an exceptional distribution of £3.50m to mitigate against the lost income over two financial years, so the true comparative figure for 2020-21 would be £3.09m.) Whereas in 2020-21 the College reported a gain on investments of £28.60m, in 2021-22 the equivalent figure is a loss of £17.86m.

Total operational expenditure for the year before pension provisions and loan interest payments was £12.73m (2020-21: £11.52m) including depreciation, or £11.05m (2020-21: £9.86m) excluding depreciation of £1.68m (2020-21: £1.66m). Of this £11.05m, more than half (52%; £5.71m) was on staff costs (2020-21: 56%; £5.58m). The Statement of Comprehensive Income and Expenditure (SOCIE) shows total Expenditure of £15.62m (2020-21: £12.35m), including £1.82m (2020-21: -£202k) in movement to pension provisions, and £1.01m (2020-21: £1.02m) in loan interest payments. In addition, a further £0.99m (2020-21: £1.50m) of capital expenditure is included in the balance sheet.

The College's investment portfolio was valued at £112.68m as at 30 June 2022 (30 June 2021: £133.62m); and the balance sheet and the cash flow statement show £5.04m of cash as at the same date (30 June 2021: £2.29m).

PROFESSIONAL ADVISERS

Auditors

Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers

NatWest Bank
Petty Cury Branch
21 Petty Cury
Cambridge
CB2 3NE

Investment Advisers

Stanhope Consulting (part of Stanhope Capital)
35 Portman Square
London
W1H 6LR

Property Managers

Carter Jonas LLP
One Station Square
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CB1 2GA

Newnham College
Sidgwick Avenue
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Charity registration no. 1137512

CHARITY TRUSTEES

The members of the College Council act as the Trustees of the charity. The College Council meets at least nine times in a year (three times per term). In the financial year 2021-22 the following were members of the College Council:

Four College Officers *ex officio*

Miss Alison Rose	Principal; Chair of the Council
Dr Barbara Blacklaws	Vice-Principal
Professor Liba Taub	Senior Tutor
Mr Christopher Lawrence	Bursar; Secretary of the Council

Eight Fellows elected by the Governing Body

As at 1 July 2021:

Dr Christina Angelopoulos
 Dr Helen Bao
 Dr Kate Fleet
 Dr Laurie Friday
 Dr Jenny Mander
 Dr Emma Mawdsley
 Dr Delphine Mordey
 Dr Rachael Padman

As at 30 June 2022:

Dr Carol Atack
 Professor Helen Bao
 Dr Kate Fleet
 Dr Laurie Friday
 Dr Jenny Mander
 Professor Emma Mawdsley
 Dr Delphine Mordey
 Dr Sheila Watts

Three Junior Members elected by the MCR and JCR

As at 1 July 2021:

Fania Christodoulides (MCR)
 Lottie Mills (JCR)
 Alice Tort (JCR)

As at 30 June 2022:

Hanna Doherty (JCR)
 Sangeet Jain (MCR)
 Alice Wood (JCR)

Governing Body

The Governing Body, comprising all Fellows of the College in Categories A to E, is required by the College Statutes to be responsible for the approval of the annual audited accounts. The Governing Body, which meets at least five times in a year, is chaired by the Principal and a Fellow is the Secretary. There were 66 Governing Body Fellows as at 1 October 2022.

A full list of the Governing Body Fellows can be found on the College website at:

www.newn.cam.ac.uk/people

OBJECTS

The College's objects as they appear in the Royal Charter were revised in 2019 and read:

- (a) To further public benefit by providing a liberal education and promoting learning and research through the provision of a college for women within the University of Cambridge.
- (b) To do all such other things as are incidental or conducive to advancing education and learning among women in Cambridge and elsewhere.
- (c) For the purposes above to receive and apply donations from persons desiring to promote the objects of the College.
- (d) To invest the moneys of the College not immediately required in any securities or investments which may from time to time be authorised for the purpose by the Council.

PUBLIC BENEFIT

The Trustees on appointment are provided with a link to the Charity Commission document 'Charities and Public Benefit: Summary Guidance for Charity Trustees', and are reminded at least annually of its recommendations and requirements. The College provided in 2021-22 an education for 651 (2020-21: 679) full-time undergraduate and postgraduate women students, in conjunction with the University of Cambridge, which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group academic supervision for undergraduates;
- pastoral, administrative and academic support for all students through its tutorial and mentor systems; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research mainly by:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics both from other UK institutions and from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including special collections), thus providing a valuable resource for students and senior members of the College, members of other Colleges and the University of Cambridge more widely, and external scholars and researchers.

The Trustees are satisfied that the College remains compliant with its duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other colleges in Cambridge and the

PUBLIC BENEFIT (continued)

University of Cambridge more widely, visiting academics from other higher education institutions, and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. Members of the general public are also able to attend various educational activities in the College (such as public lectures).

As a College in the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

OPERATING AND FINANCIAL REVIEW

Contents	page
1. Covid-19	9
2. Student numbers	9
3. SOCIE: Income	10
4. SOCIE: Operating expenditure	13
5. SOCIE: Other expenditure	14
6. SOCIE: Gain/(loss) on investments	16
7. Capital expenditure	16
8. Balance sheet and Reserves	16
9. Cash flow	17
10. Reserves policy	17
11. Principal risks and uncertainties	17
12. Future plans	18

References in the text below to 'Notes' are to the 'Notes to the Accounts' on pages 36 to 59.

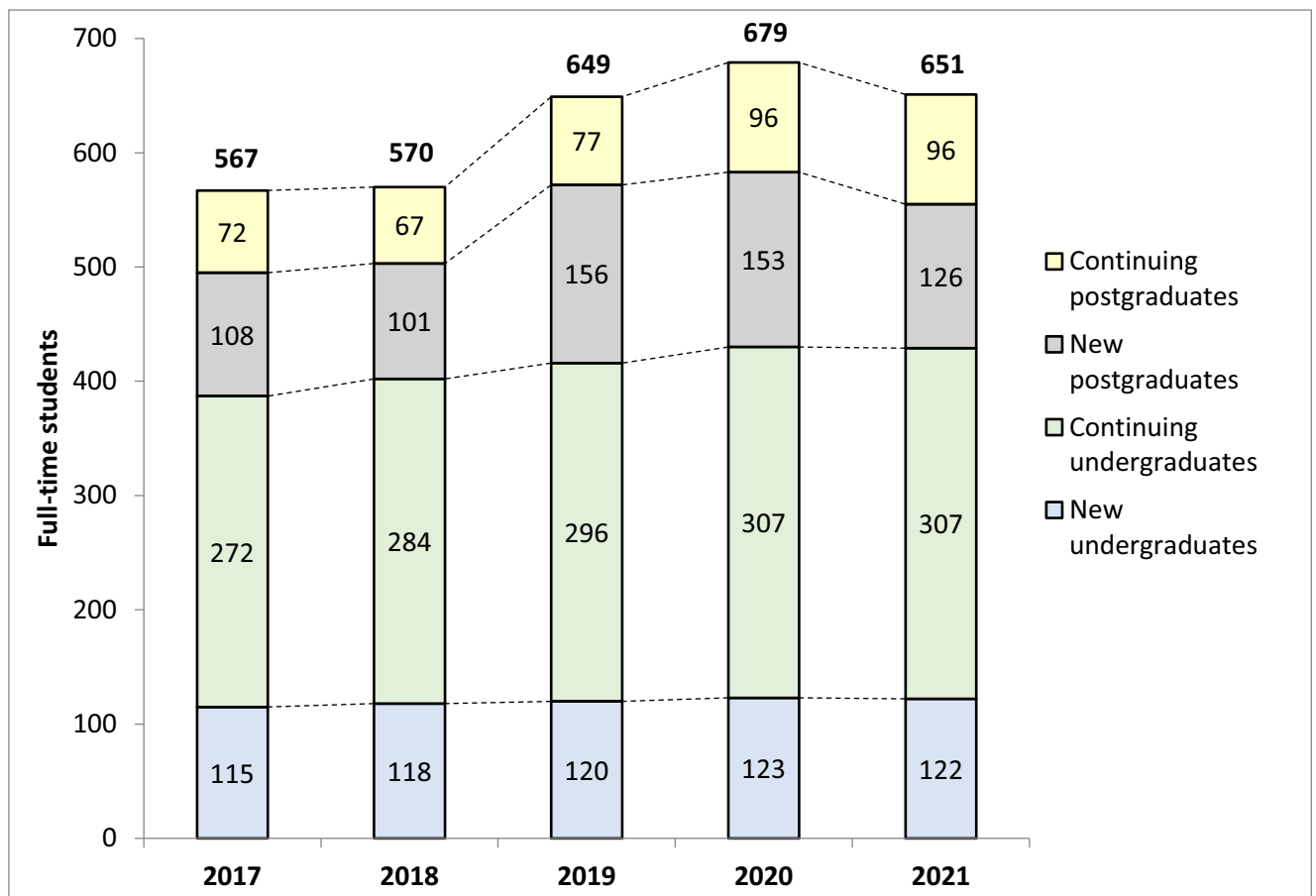
OPERATING AND FINANCIAL REVIEW

1. COVID-19

For a third successive financial year, the College’s finances were affected by the Covid-19 pandemic, with 2018-19 being the last financial year unaffected by Covid-19. However, the impact was much more limited than in the previous financial year, with the conference business in the first three months of the financial year (July to September 2021) being the main casualty of the continuing effects of the pandemic.

2. STUDENT NUMBERS

The biggest potential variable from one year to the next which affects both income and expenditure is the size of the student body. The College admits both undergraduate and postgraduate students, and has a target of 650 full-time fee-paying students, made up of 420 undergraduates and 230 postgraduates. The total number of full-time fee-paying students as at 1 December 2021 was 651, which represented a decrease from the previous year (679 in 2020) but almost exactly on target. This total comprised 429 undergraduates (430 in 2020), of whom 122 were new entrants (123 in 2020); and 222 full-time postgraduates (249 in 2020). The 222 postgraduates comprised 143 Doctoral students (132 in 2020), of whom 48 were new entrants (41 in 2020); and 79 non-Doctoral (predominantly Masters) students (117 in 2020). In addition there were 72 postgraduate students either writing up/under examination or part-time (76 in 2020).



All figures as at 1 December of each year.

The breakdown by fee status for 2020 and 2021 was as follows:

OPERATING AND FINANCIAL REVIEW (continued)

	2020	2021
Undergraduate - Home - New	101 (23%)	101 (24%)
Undergraduate - Home - Continuing	256 (60%)	252 (59%)
Undergraduate - International - New	22 (5%)	21 (5%)
Undergraduate - International - Continuing	51 (12%)	55 (13%)
Total	430	429
Postgraduate - Home - New	81 (33%)	55 (25%)
Postgraduate - Home - Continuing	59 (24%)	60 (27%)
Postgraduate - International - New	72 (29%)	71 (32%)
Postgraduate - International - Continuing	37 (15%)	36 (16%)
Total	249	222

Until 2020-21, EU students had the same fee status as UK students, known as 'Home'. As of the 2021-22 academic year new EU students are charged the (higher) International rate, whereas continuing EU students who started in 2020-21 or earlier are still charged the Home rate. The effect of this change in fee status for EU students can most clearly be seen in the reduction in New Postgraduates paying the Home fee, a decrease from 81 in 2020 to 55 in 2021.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE (SOCIE)**3. SOCIE: INCOME**

The first of the four financial statements is the Statement of Comprehensive Income and Expenditure (SOCIE). All income appears in this statement. Total income before donations and endowments was £9.33m (2020-21: £7.15m), and total income including donations and endowments was £13.92m (2020-21: £9.49m). The treatment of investment income and endowment return should be noted as explained in 3.3 below.

3.1 Academic fees and charges

Of the total of £3.57m (2020-21: £3.55m) under this heading, £3.19m (2020-21: £3.21m) was derived from student fees. These are set out in Note 1 to the accounts.

UK (and previously EU) undergraduates who are eligible for fee loans from the government-owned Student Loans Company (SLC) pay a regulated fee, which is currently £9,250 per annum for students admitted since September 2017. 50% of these fees are transferred to the University, and the College retains the other 50% (£4,625 per student). The total income to the College from this source was £1.56m (2020-21: £1.57m).

Non-UK undergraduates – and UK (and previously EU) undergraduates who are not eligible for SLC loans (generally as a result of having a first degree already) – pay an unregulated College fee, set by the College, in addition to their University fee. For first-year undergraduates in 2021-22, this fee was £9,975 per annum, which remains unchanged for the duration of their course. The equivalent fees for undergraduates starting in prior years are: £9,500 (2020-21 starters) £8,700 (2019-20 starters), £8,100 (2018-19 starters) and £7,901 (2017-18 starters). The total income to the College from such students was £670k (2020-21: £652k).

Postgraduate students pay a variety of University fees, depending on fee status and on course choice. The 31 colleges collectively receive a share of the total postgraduate fees to the University (25%, up to a cap), which is redistributed on a per capita basis. This resulted in a fee of £4,475 per postgraduate student in 2021-22 (2020-21: £4,069), amounting to a total to the College of £961k (2020-21: £986k).

OPERATING AND FINANCIAL REVIEW (continued)

As well as student fees as set out above, the College received £107k (2020-21: £96k) from other colleges in return for Newnham academics supervising undergraduates from those colleges and for shared academic appointments. £268k (2020-21: £241k) was received as the external contribution to total awards of £392k (2020-21: £358k) paid through the Cambridge Bursary Scheme and the associated Top-Up Bursary Scheme.

3.2 Accommodation, catering and conferences

The total of this source of income was £4.09m, an increase on the previous year's Covid-affected income of £2.16m, as set out in Note 2 to the accounts. Despite this recovery, this still included a significant shortfall in commercial income as a result of the first three months of the financial year (July to September 2021) continuing to be affected by Covid-19, the period when the College normally hosts summer schools, weddings and conferences. The total for conference income of £280k in 2021-22 compares with £795k two years previously in 2019-20, a year only partially affected by Covid-19. So this represents a loss of income in the region of at least £500k.

The line in Note 2 'Accommodation – College members' shows the income from student rents. This shows a healthy increase from £1.87m in 2020-21 to £3.10m in 2021-22, representing a return to normal levels of occupancy after the reduced capacity and lock-down restrictions in place in the previous year. Undergraduate rents were £158 per week and postgraduate rents ranged from £135 to £165 per week.

In line with the return to normal room occupancy levels, the take-up of the College's catering offer (Buttery, Café, Formal Halls) by our students also returned to normal, as seen in the line in Note 2 'Catering – College members'. This shows income of £708k in 2021-22, compared with £276k in 2020-21.

3.3 Investment income and Endowment return transferred

The SOCIE has two lines for these sources of income, 'Investment income' and 'Endowment return transferred'. Note 3 sets out further detail. This is an area of the accounts which requires some explanation.

The first line 'Investment income' shows unrestricted income of £1.21m (2020-21: £641k). Note 3a shows that £1.11m came from distributions from the Cambridge University Endowment Fund (CUEF). The remaining £102k (2020-21: £135k) is from commercial rental income and bank interest.

The second line 'Endowment return transferred' requires explanation:

The total 'Gain/(loss) on investments' in the year is shown lower down the SOCIE and shows a reduction in value of -£17.86m (compared with an exceptional gain in 2020-21 of +£28.60m). The College operates a total return policy which smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance, as illustrated across these two years.

The total return policy makes available for spending an amount based on the average value of the units in the investment portfolio (excluding directly held investment properties) over the preceding five years, which allows for a smoothed approach to drawing down income. At 1 July 2021 there were 5,603,754 units held in the investment portfolio, with a unit value of £23.35 and a total value of £130.85m.

The average value of the units over the five years preceding 1 July 2021 was £17.62, so when the drawdown rate of 3.5% as stipulated in the policy was applied to this unit value (£17.62) and the

OPERATING AND FINANCIAL REVIEW (continued)

number of units held (5,603,754), the result was a return of £3.46m. (In 2020-21 the equivalent return was £3.09m; and a further £3.50m was taken as an exceptional distribution to mitigate against the lost income over two Covid-affected financial years.)

This figure of £3.46m is shown in the Income line in the SOCIE as 'Endowment return transferred', split between £1.51m Unrestricted and £1.94m Restricted. However, following an accounting requirement this £3.46m is excluded from the 'Total income before donations and endowments', by including a negative matching figure of £3.46m in the 'Endowment' column. Thus this 'Endowment return transferred' line is netted off to zero in the Income section of the SOCIE.

3.4 Other income

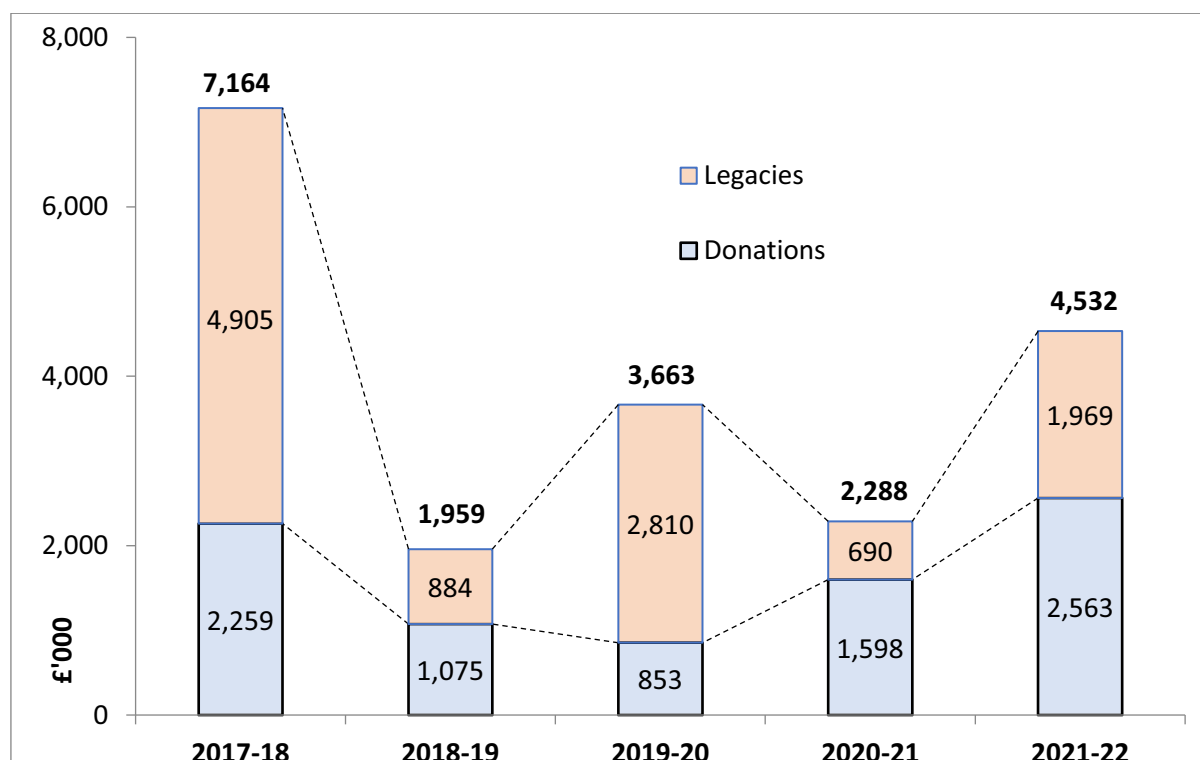
Other income of £462k (2020-21: £806k) is set out in detail in Note 4. For the third financial year in a row, there is a line 'Coronavirus Job Retention Scheme grant', which shows income of £1k (2020-21: £281k), which explains much of the decrease in this income line..

Another line is 'Research grant from DfID/FCDO' (previously the Department for International Development, now the Foreign, Commonwealth & Development Office) showing income of £189k (2020-21: 363k). This project, which was run out of the Margaret Anstee Centre for Global Studies based in the College, came to completion at the end of the 2021-22 financial year.

There was £78k of income relating to Roll & Development events (2020-21: £16k), as a result of increased activity after the previous Covid-affected year. In addition, £52k (2020-21: £55k) of VAT was recovered, and there was £142k (2020-21: £91k) of other income.

3.5 Donations and new endowments

Total donations and new endowments of £4.58m were received, as set out in Note 4. This was a increase on 2020-21 (£2.34m) as shown in this chart (which excludes an annual release from deferred capital grants of £51k):



OPERATING AND FINANCIAL REVIEW (continued)

This chart shows the unpredictability of donation and legacy income while also highlighting the importance of this source of income. The College has been very fortunate to benefit in this way from the generosity of alumnae, and remains very grateful for this support. Such philanthropic income underpins the College's continued ability to fulfil its mission: the advancement of education, learning and research.

4. SOCIE: OPERATING EXPENDITURE

The SOCIE shows operational expenditure, but excludes capital expenditure (see section 7 below). The categories of expenditure are prescribed by the RCCA format. Each line of expenditure includes a mix of Staff costs (direct and indirect) and Non-staff costs (direct and indirect). A series of breakdowns within Notes 6 to 19 sets out much of the detail.

Total operating expenditure for the year was £12.73m (2020-21: £11.52m), or £11.05m (2020-21: £9.86m) excluding depreciation of £1.68m (2020-21: £1.66m). The charge for depreciation (a non-cash item) increased significantly in 2020-21 as a result of a change in the depreciation policy, whereby buildings are now depreciated over 65 years rather than 100 years.

The total of £12.73m breaks down as £6.01m on Education (2020-21: £5.29m); £5.98m on Accommodation, catering and conferences (2020-21: £5.32m); and £746k on Other (2020-21: £900k). Notes 6a and 6b set out the detail.

4.1 Education

Notes 7 to 9 give detailed breakdowns of the £6.01m of expenditure on education. A significant part of the College's education costs relate to the teaching of undergraduates, in particular undergraduate supervisions, the small-group teaching that is a feature of Cambridge (whereas the costs of providing lectures fall to the University), and Note 7a shows a total cost for Teaching of £2.09m (2020-21: £1.92m). The next biggest element of education expenditure was on Scholarships and awards (for both undergraduates and postgraduates), which came to £1.68m (2020-21: £1.36m). The College is fortunate to be in a financial position to make such awards, which are largely funded by philanthropy. Note 9 gives a useful breakdown of such awards.

All students, both undergraduate and postgraduate, have a personal Tutor who is responsible for providing non-academic support. The cost of such Tutors is included within the line 'Tutorial' and the total cost of the Tutorial and Admissions activities as shown in Note 7a came to £1.48m (2020-21: £1.34m). Research costs come under the heading of Education, and such costs came to £520k (2020-21: £448k), which includes the employment costs of stipendiary Junior Research Fellows.

4.2 Accommodation, catering and conferences

Note 6a shows how the total costs of £5.98m (2020-21: £5.32m) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Direct staff costs are split between Catering and Conferences in Note 10, and direct non-staff costs are split between Catering and Conferences in Note 11. Accommodation-related costs such as Housekeeping staff are included within the indirect staff costs, because these costs are split across more than one activity. The increase in costs relates mainly to a return to more normal levels of provision following the Covid-affected previous year.

4.3 Other expenditure

Note 6a shows how total costs of £746k (2020-21: £900k) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Note 12 gives a breakdown of the direct staff

OPERATING AND FINANCIAL REVIEW (continued)

costs, which mainly relate to the Margaret Anstee Centre, including the research project for the Foreign, Commonwealth & Development Office (FDCO), the income relating to which was referred to in section 3.4 above. Note 13 shows the direct non-staff costs, most of which also relate to the FDCO project.

4.4 Staff costs

Staff costs include salaries, National Insurance, and pension costs.

The three expenditure areas (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct staff costs and indirect staff costs. Staff costs are analysed in various ways in the Notes. Notes 6a and 17a show how total staff costs of £5.71m (2020-21: £5.58m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 8 (Education), Note 10 (Accommodation, catering and conferences) and Note 12 (Other) on the direct staff costs in each of those expenditure areas. It is to Note 18 that the reader must turn to understand all the other elements of staff costs which are allocated across the three expenditure areas. Note 18 shows the cost of departments such as Housekeeping, Maintenance, Porters' Lodge, Gardens, Bursary, Development and Communications.

Further analysis is given in Note 20, which shows pensions costs of £781k (2020-21: £780k) and National Insurance costs of £338k (2020-21: £328k), on top of salary costs of £4.32m (2020-21: £4.21m). Headcount figures (both FTE and non-FTE) are shown. These include casual staff as well as permanent staff: a reduction in casual staff had been seen in 2020-21, with an increase back to more normal levels in 2021-22.

4.5 Non-staff costs

The three lines (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct non-staff costs and indirect non-staff costs. Non-staff costs are analysed in various ways in the Notes. Note 6a shows how total non-staff costs of £7.02m (including depreciation of £1.68m) (2020-21: £5.94m, including depreciation of £1.66m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 9 (Education), Note 11 (Accommodation, catering and conferences) and Note 13 (Other) on the direct non-staff costs in each of those expenditure areas. Note 19 sets out the totals for the indirect non-staff costs.

Among the indirect non-staff costs of £2.48m (2020-21: £2.01m), the largest area of expenditure was maintenance, at £555k (2020-21: £688k). This excludes capital expenditure, which does not appear in the SOCIE but is shown in Note 24 to the Balance Sheet.

The next largest cost was utilities (electricity, gas, water) at £517k (2020-21: £369k). The College buys its gas and electricity through a consortium of colleges, with price fixes and hedges in place to counter fluctuations in prices. Even with such purchasing strategies in place, and despite the large (40%) increase from 2020-21 to 2021-22 already, energy costs are expected to increase significantly in 2022-23.

5. SOCIE: OTHER EXPENDITURE

As well as £12.73m (2020-21: £11.52m) of operating expenditure, the total expenditure of £15.62m (2020-21: £12.35m) includes three other lines as described below.

OPERATING AND FINANCIAL REVIEW (continued)

5.1 Movement to pension provisions

The College participates in two defined benefit pension schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS), and the Universities Superannuation Scheme (USS). As at 30 June 2022 there were 3 active members in CCFPS and 136 active members in USS (30 June 2021: 4 in CCFPS, 156 in USS). The funding position of these two schemes are set out in detail in notes 42a (CCFPS) and 42b (USS). Pensions represent a significant cost to the College: employer contributions of £781k were made in the year (see Note 21) (2020-21: £780k).

The total figure for the movement to pension provisions included under Expenditure in the SOCIE is +£1.82m (2020-21: -£202k). This comprises £31k for the CCFPS scheme and £1.79m for the USS scheme (2020-21: £45k for CCFPS, -£248k for USS).

In relation to CCFPS, the actuarial consultants Cartwright Group Ltd are engaged to report on the financial position of the scheme at the year end. They have calculated a total liability of £772k as at 30 June 2022 (30 June 2021: £1.18m). Of this increase of £405k, -£31k is recognised as expenditure (within the £1.82k as above) and £436k is recognised under 'Other comprehensive income'.

In relation to USS, the provision in this year's accounts is based on the 31 March 2020 actuarial valuation (which was the last formal completed actuarial valuation as at 30 June 2022) as the basis to use to model the liability as at the year end. This resulted in a provision of £3.17m (2020-21: £1.38m), an increase of £1.79m, which is recognised as expenditure.

The combined CCFPS and USS pension provision as shown on the balance sheet and in Notes 21 & 31 was £3.94m as at 30 June 2022, an increase of £1.38m on the equivalent figure of £2.56m at 30 June 2021.

5.2 Loan interest payable

The College needs to repay loan interest in the order of £1m every year for a number of years (see Notes 22 and 30). The figure of £1.01m for 2021-22 (2020-21: £1.02m) comprises £182k for the Buttery/Kitchen loan (2020-21: £197k) and £824k for the two private placement bonds (2020-21: £824k) as described below.

The College took out a 25-year bank loan in 2007 to fund the Buttery/Kitchen project, repayable in 2032. In addition to the interest costs of £182k (2020-21: £197k), capital repayments of £250k were made (2020-21: £236k). The remaining balance on the loan at the end of the year was £3.34m (30 June 2021: £3.59m).

The College issued two private placement bonds, one for £11.58m in 2013 and one for £7.00m in 2014, with three repayment dates in 2043, 2044 and 2053, and the combined coupon (interest) payments come to £824k per year. These are set out in Note 30.

The proceeds of these private placements were used to part-fund the new Dorothy Garrod Building and its associated fixtures and fittings, which cost a combined total of £34.87m. The coupon payments on these two private placements will therefore remain £824k per year until 2043 (when the first £6.43m of capital has to be repaid). Reduced coupon payments will continue until 2053 (when the final £5.15m of capital has to be repaid).

5.3 Contribution to the Colleges Fund

The Colleges Fund is a scheme whereby the wealth of all 31 colleges is assessed each year. The better-endowed colleges pay into a central fund, which is then disbursed to the less-well-endowed

OPERATING AND FINANCIAL REVIEW (continued)

colleges. Note 23 shows that Newnham College's contribution to this fund was £63k, which was an increase on the previous year's contribution of £16k as a result of including two years' worth of contributions in the one financial year (£27k for 2020-21 and £36k for 2021-22).

6. SOCIE: GAIN/(LOSS) ON INVESTMENTS

The total 'Gain/(loss) on investments' in the year shows a reduction in value of -£17.86m (compared with an exceptional gain in 2020-21 of +£28.60m), as shown in Note 3. The College's total return policy smooths the distribution across a five-year period to acknowledge that there will be peaks and troughs of investment performance, as illustrated across these two years. The College is a perpetual investor, taking a very long-term view of its investment portfolio, and such shorter-term increases and decreases in value are to be expected.

This investments line masks the deficit of -£1.70m incurred in the year ('Deficit before other gains and losses') (2020-21: -£2.86m). If one compares the line 'Total income before donations and endowments' showing £9.33m (2020-21: £7.15m) with the line 'Total operating expenditure' showing £12.73m (2020-21: £11.52m), then one starts to understand even more clearly that there is a fundamental mismatch between operating income and operating expenditure. The College's economic model relies on investment gains and philanthropy to bridge that gap. The total return policy that calculates the annual drawdown from the College's investments is set out in 3.3 above, and it is this regular, annual drawdown that allows the College to carry an operational deficit each year. Hence the bottom line of the SOCIE – 'Total comprehensive income for the year' – needs to be interrogated closely for a true understanding of the College's finances.

Investments are considered in more detail in 8.2 below.

7. CAPITAL EXPENDITURE

The Statement of Comprehensive Income and Expenditure (SOCIE) is not in fact comprehensive in terms of expenditure, since capital expenditure is excluded. It is to the first line of the Balance Sheet, and its related Note 24 (Fixed Assets), that one turns to see the capital expenditure in the year. This shows Additions of £985k (2020-21: £1.50m) including £766k on building refurbishment projects (Peile Hall and the postgraduate house at 6 Wordsworth Grove); £183k on IT network infrastructure; and £20k on books.

8. BALANCE SHEET AND RESERVES

After the SOCIE, the next two statements in the accounts are the Statement of Changes in Reserves and the Balance Sheet. Starting with the Balance Sheet:

8.1 Fixed assets

Note 24 sets out the movements in this asset class. The capital expenditure in the Additions line has been explained in section 7 above. The Disposals figure of £22k (2020-21: £204k) was for the writing-off of an old IT system and books.

8.2 Investments

Note 25 shows investments of £112.68m (2020-21: £133.62m), with £100.64m (89%) held in quoted equities (2020-21: £118.04m). The unit value in the investment portfolio (see 3.3 above) at 30 June 2022 was £19.74, a decrease of 15.5% on the opening unit value of £23.35.

The total investment portfolio (including directly-owned property) was made up follows:

OPERATING AND FINANCIAL REVIEW (continued)

	30 June 2022	30 June 2021
Equities	69.3%	74.5%
Bonds	2.1%	7.1%
Property	11.7%	8.2%
Private equity	10.7%	7.5%
Absolute return	6.2%	2.7%
Total	100%	100%

As at 30 June 2022, 30% of the portfolio was passively managed, and 70% was actively managed. The passive part of the portfolio was held in three funds (two equity funds and one bond fund, although the latter was sold in March 2022) managed by State Street Global Advisors; and the active part of the portfolio was managed by the following: Baillie Gifford (Stewardship Select Fund), Cambridge University Endowment Fund (CUEF), Partners Capital, Cambridge Associates (Cambridge University Feeder Fund) and Savills (Charity Property Fund).

The total return on the investment portfolio (excluding directly-owned property) was -12.8%, following an exceptional 24.0% the previous year.

8.3 Statement of Changes in Reserves

The Balance Sheet and the Statement of Changes in Reserves show total reserves decreasing from £254.44m (at 30 June 2021) to £235.26m (at 30 June 2022). This decrease is mainly attributed to the decrease in value of the investments portfolio.

9. CASH FLOW

The fourth and final statement in the accounts is the Cash Flow Statement. This shows an increase of £2.74m in cash over the year from £2.29m to £5.04m. The cash flow is explained in detail in Notes 34 to 36.

10. RESERVES POLICY

Newnham's unrestricted reserves at the year end amounted to £152.96m (2021: £161.11m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. Restricted reserves at the year end amounted to £82.30m (2021: £93.32m) and are represented in the balance sheet by endowment funds for a number of educational purposes, as set out in Notes 32 and 33. The College Council believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The College Council is mindful to maintain an equitable balance between the interests of current members of the College and future generations ('intergenerational equity').

11. PRINCIPAL RISKS AND UNCERTAINTIES

As this report is written in the Michaelmas term 2022, a fresh intake of undergraduate and postgraduate students has arrived and the College feels like it is returning to normal after the pandemic. A few individuals still choose to wear face coverings, and another round of Covid vaccinations is on offer, but all induction meetings and social events are in person and the College as a community is in evidence. However, Covid-19 is still present in the wider community as winter approaches, and nothing is being taken for granted. It is very much hoped that the College's objectives of 'education, learning and research' and its normal routines will not be affected

OPERATING AND FINANCIAL REVIEW (continued)

Uncertainty over energy costs (largely arising from the Russian invasion of Ukraine) is affecting everyone including organisations such as Newnham College, and although the College is part of an intercollegiate buying consortium which negotiates a mixture of fixed-price contracts and traded contracts, all this achieves is short-term certainty rather than any long-term immunity from significant price increases. The College's plans to degasify the estate become even more pressing in such a situation. In the meantime, a priority is to reduce the use of both gas and electricity wherever possible, and the whole College community has a role to play in achieving this aim.

At the time of writing, inflation is at 10.1% (CPI to September 2022), partly (but not wholly) fuelled by the impact of the Ukraine war. High inflation affects every member of the College community (and their families), and every aspect of the College's operations. There are limits to the pay increases the College can offer as an employer, and there are limits to the increases in charges that the College can pass on to its consumers, in particular its students. For example, rents for student bedrooms increased from 2021-22 to 2022-23 by 4.4%, accompanied by a 25% increase (from £20 to £25 per week) in the automatic rent bursary given to over a third of our undergraduates who are in receipt of bursary support.

The regulated fee paid by most of our undergraduates has remained at £9,250 per year since 2012, having been £9,000 since 2010. This means that the value has eroded in real terms each year, against a background of rising costs for the university sector. This remains a key risk to the whole sector.

The increasing costs of the main defined benefit pension scheme in which the College participates (USS) also continue to be a concern, and there remains unrest among the Unions which could lead to further industrial action.

The impact of Brexit continues to be felt acutely in terms of staffing in departments such as Housekeeping and Catering, where lots of EU staff have left, and vacancies have been very hard to fill. The College also continues to experience supply chain and delivery issues. All of this is creating pressure on the College's operations, as well as on pricing and costs. Fewer EU students are applying to study at British universities, and Cambridge is not immune, as can be seen in the reduction in new postgraduate students paying the 'Home' fee rate.

12. FUTURE PLANS

Celebrations of the College's 150th anniversary in 2021-22 have come to a close, and the College now turns towards a major fundraising campaign during the remainder of Alison Rose's Principalship. The three themes of the campaign are: (i) supporting academic learning and research; (ii) supporting our students; and (iii) achieving carbon net zero.

The programme of refurbishment of the College's buildings continues, with a focus on energy conservation and energy supply. Two postgraduate houses have now been degasified by switching to air-source heat pumps, and this represents the first step in a long-term programme of energy-efficiency projects, which will be supported by funds raised under theme (iii) of the campaign as above. Such refurbishment projects are not solely about energy, however, and are equally about improving the College as an environment in which to live, work and study.



Mr Christopher Lawrence
Bursar

17 November 2022

CORPORATE GOVERNANCE

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

The College is a registered charity (registered number 1137512) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

The Trustees are advised in carrying out their duties by a number of Committees, including: Academic Planning, Buildings Estate, Development, Environmental & Sustainability, Finance, Grants & Awards, IT, Library, Safety, and Stipends & Benefits.

The principal College officers are the Principal, Vice-Principal, Senior Tutor and Bursar.

It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College officers, the Domestic Bursar, and other members of the Governing Body.

There is a Register of Interests of Trustees. Declarations of interest are made systematically at all Governing Body, Council and Committee meetings. The College's Trustees during the year ended 30 June 2022 are set out on page 5.

STATEMENT OF INTERNAL CONTROL

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.

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

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

RESPONSIBILITIES OF THE COLLEGE COUNCIL AND THE GOVERNING BODY

The College Council is responsible for preparing the financial statements each year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by Recommended Cambridge College Accounts. The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs. It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College.

Statute XIX ('Accounts and Audit') in the College's Statutes sets out the Governing Body's responsibilities in relation to the accounts, including the appointment of the auditors. Clause 5 of Statute XIX states: "A meeting of the Governing Body shall be called to pass the accounts as soon as may be convenient in the Michaelmas Term."

In causing the financial statements to be prepared, the College Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The College Council is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The College Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud and other irregularities. Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY**For the Year Ended 30 June 2022****Opinion**

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the report of the College Council and Governing Body, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY (continued)

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

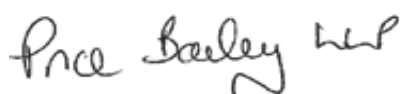
- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed key authorisation procedures and decision-making processes for any unusual or one-off transactions.
- We reviewed minutes of Finance, College Council and Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the College Council.

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

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

Use of our report

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



PRICE BAILEY LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 14 December 2022

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These 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 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Consolidated 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 7.

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 undertakings. Details of the subsidiary undertakings are set out in Note 38. Intra-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the subsidiary companies donate their profits to the College each year. The balance sheet for the College alone would not be materially different from the one included in the accounts.

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.

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

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

Legacy Income

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the College is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executors to the College that a distribution will be made; or when a notification has been made by the executors to the College of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

A total return policy is applied to the College's investment in securities. A unitised approach is taken with the investment portfolio, and the units are revalued each quarter taking account of investment performance. Under this total return policy, the average of the unit values at the end of each quarter for the preceding five years is calculated. 3.5% of this average unit value is applied to the number of units held at 1 July, and this is the amount of endowment return transferred shown as income in the Statement of Comprehensive Income and Expenditure. The whole total return is shown in the same statement as the gain/(loss) on investments.

Other income

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

Cambridge Bursary Scheme and CBS Top-up Bursary Scheme

In 2021-22, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received contributions from the University of Cambridge and from Trinity College towards this payment. There is also a Top-up Bursary Scheme, also supported by Trinity College.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The net payment by the College of £124k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	(Note 1)	£268k
Expenditure	(Note 9)	£392k

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 contract, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

Tangible fixed assets*Land and buildings*

The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. A valuation on 30 June 2019 was carried out by Gerald Eve LLP. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 65 years (previously this was 100 years). On revaluation, the expected life of a building is re-set to 65 years. Freehold land is not depreciated and the value of the land comprising the College's main site is included in the balance sheet.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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

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

Maintenance of properties

The cost of routine maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred.

Furniture and equipment

Furniture and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Books, equipment, furniture and fittings	5%, 10% and 25% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)*Heritage Assets*

The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt, to the extent to which they are material. Heritage assets have not been depreciated since their long economic life and high residual value mean that any depreciation would not be material.

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.

Stocks

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

Provisions

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

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

Financial Liabilities

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

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

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

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

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Taxation**

The College is a registered charity (number 1135712) 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 advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension schemes

The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The schemes are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The assets of the USS 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 defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the 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 income and expenditure account.

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 (continued)**Critical Accounting Estimates and Judgements**

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

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

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

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

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Notes 42a and 42b.

Management are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 42b.

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 the 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 profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**Going concern**

The College's Finance Committee and Council have reviewed the budget for 2022-23 and also a five-year projection through to 2027-28. At the start of the 2022-23 academic year, student numbers are on target, and therefore both fee income and accommodation income are on target. Conference business is picking up once again, and the expectation is that it will be back to pre-Covid levels from the start of the 2022-23 financial year.

As a result of its assessment of the College's overall financial situation, the College Council has confirmed the College's ability to continue in operation and on that basis it has adopted the going concern assumption within these financial statements. The College Council confirms the College's ability to continue as a going concern.

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2022

	Note	2021-22				2020-21			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	3,300	268	-	3,568	3,306	241	-	3,547
Accommodation, catering and conferences	2	4,090	-	-	4,090	2,159	-	-	2,159
Investment income	3	1,212	-	-	1,212	641	-	-	641
Endowment return transferred	3	1,514	1,942	(3,456)	-	4,852	1,733	(6,585)	-
Other income	4	462	-	-	462	442	364	-	806
Total income before donations and endowments		10,578	2,210	(3,456)	9,332	11,400	2,338	(6,585)	7,153
Donations	5	3,425	253	-	3,678	1,474	401	-	1,875
New endowments	5	-	-	905	905	-	-	464	464
Total income		14,003	2,463	(2,551)	13,915	12,874	2,738	(6,122)	9,490
Expenditure									
Education	6,7,8,9	3,839	2,167	-	6,006	3,395	1,898	-	5,293
Accommodation, catering and conferences	6,10,11,14	5,978	-	-	5,978	5,322	-	-	5,322
Other expenditure	6,12,13	746	-	-	746	576	324	-	900
Total operating expenditure		10,563	2,167	-	12,730	9,293	2,222	-	11,515
Movement to pension provisions	21,31	1,818	-	-	1,818	(202)	-	-	(202)
Loan interest payable	22	1,006	-	-	1,006	1,021	-	-	1,021
Contribution to Colleges Fund under Statute G,II	23	63	-	-	63	16	-	-	16
Total expenditure		13,450	2,167	-	15,617	10,128	2,222	-	12,350
Surplus/(deficit) before other gains and losses		553	296	(2,551)	(1,702)	2,746	516	(6,122)	(2,860)
Gain/(loss) on investments	3	(9,091)	(2,739)	(6,029)	(17,859)	8,401	3,032	17,169	28,602
Surplus/(deficit) for the year		(8,539)	(2,443)	(8,580)	(19,562)	11,147	3,548	11,047	25,742
Other comprehensive income									
Actuarial gain in respect of pension schemes	21,31	436	-	-	436	484	-	-	484
Total comprehensive income for the year		(8,102)	(2,443)	(8,580)	(19,125)	11,631	3,548	11,047	26,226

The notes on pages 36 to 59 form part of these accounts.

Consolidated Statement of Changes in Reserves**Year Ended 30 June 2022**

	Income and expenditure reserve			Revaluation	Total
	Unrestricted £000	Restricted £000	Endowment £000	reserve £000	£000
At 1 July 2021	72,939	17,720	75,603	88,173	254,435
(Deficit) from income and expenditure statement	(8,539)	(2,443)	(8,580)	-	(19,562)
Other comprehensive income/(expenditure)	436	-	-	-	436
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	875	-	-	(875)	-
At 30 June 2022	65,661	15,277	67,023	87,298	235,258
At 1 July 2020	60,413	14,290	64,477	89,080	228,260
Surplus/(deficit) from income and expenditure statement	11,147	3,548	11,047	-	25,742
Other comprehensive income/(expenditure)	484	-	-	-	484
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings charged to revaluation reserve	907	-	-	(907)	-
Movement between Funds	39	(118)	79	-	-
At 30 June 2021	72,939	17,720	75,603	88,173	254,435

Consolidated Balance Sheet**At 30 June 2022**

	Note	2022 £000	2021 £000
Non-current assets			
Fixed assets	24	142,807	143,499
Investments	25	112,679	133,617
Total non-current assets		255,486	277,116
Current assets			
Stocks	26	80	93
Trade and other receivables	27	1,794	860
Cash and cash equivalents	28	5,038	2,294
Total current assets		6,912	3,247
Creditors: amounts falling due within one year	29	(1,543)	(1,446)
Net current assets		5,369	1,801
Total assets less current liabilities		260,855	278,917
Creditors: amounts falling due in more than one year	30	(21,654)	(21,921)
Provisions			
Pension provisions	31	(3,942)	(2,561)
Total net assets		235,259	254,435
Restricted reserves			
Income and expenditure reserve - endowment reserve	32	67,023	75,603
Income and expenditure reserve - restricted reserve	33	15,277	17,720
		82,300	93,323
Unrestricted reserves			
Income and expenditure reserve - unrestricted		65,661	72,939
Revaluation reserve		87,298	88,173
		152,959	161,112
Total reserves		235,259	254,435

These financial statements were approved by Newnham College Governing Body on 17 November 2022 and signed on its behalf by:

Miss Alison Rose (Principal)



Mr Christopher Lawrence (Bursar)



The notes on pages 36 to 59 form part of these accounts. 34

Consolidated Cash Flow Statement

Year Ended 30 June 2022

	Note	2021-22 £000	2020-21 £000
Net cash inflow/(outflow) from operating activities	34	669	(1,326)
Cash flows from investing activities	35	3,332	572
Cash flows from financing activities	36	(1,257)	(1,257)
Increase/(Decrease) in cash and cash equivalents in the year		<u>2,744</u>	<u>(2,011)</u>
Cash and cash equivalents at beginning of the year		2,294	4,305
Cash and cash equivalents at end of the year		5,038	2,294

The notes on pages 36 to 59 form part of these accounts.

Notes to the Accounts

1. ACADEMIC FEES AND CHARGES		2021-22	2020-21
		£000	£000
College fees:			
Fee income received at the Regulated Undergraduate rate (a)		1,562	1,572
Fee income received at the Unregulated Undergraduate rate (b)		670	652
Fee income received at the Postgraduate rate (c)		961	986
		<u>3,193</u>	<u>3,210</u>
Recoveries from other Colleges - teaching		61	52
Recoveries - shared appointments		46	44
Contribution towards Cambridge Bursary & Top-up Schemes		268	241
		<u>3,568</u>	<u>3,547</u>
(a) fee per student: £4,625 for undergraduates starting since 2017-18			
(a) fee per student: £9,975 for undergraduates starting in 2021-22 (2020-21: £9,500) (2019-20: £8,700) (2018-19: £8,100)			
(c) fee per student: £4,475 (2020-21: £4,069)			
2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES		2021-22	2020-21
		£000	£000
Accommodation	College members	3,102	1,872
	Conferences	141	-
Catering	College members	708	276
	Conferences	139	11
		<u>4,090</u>	<u>2,159</u>
3. INVESTMENT RETURN AND INVESTMENT INCOME		2021-22	2020-21
		£000	£000
3a. Analysis			
Total return contribution (see note 3b)		3,456	6,585
Quoted securities		-	-
CUEF distributions		1,110	506
Freehold land and buildings		100	130
Interest		2	5
Less: Excess of total return over investment income received		(3,456)	(6,585)
		<u>1,212</u>	<u>641</u>
3b. Summary of total return			
Income from:			
Freehold land and buildings		100	130
Quoted and other securities and cash		1,112	511
		<u>1,212</u>	<u>641</u>
Gains on investment assets			
Quoted and other securities (see note 25)		(17,832)	28,639
Revaluation of USD bank account		2	-
Investment management costs - quoted securities (see note 3c)		(29)	(37)
		<u>(17,859)</u>	<u>28,602</u>
Total return for the year		<u>(16,648)</u>	<u>29,243</u>
Total return transferred to income and expenditure reserve (see note 3a)		(3,456)	(6,585)
Total return for year included within Statement of Comprehensive Income and Expenditure		<u>(20,104)</u>	<u>22,658</u>

Notes to the Accounts

3. INVESTMENT RETURN AND INVESTMENT INCOME (continued)	2021-22	2020-21		
	£000	£000		
3c. Investment management costs				
Quoted securities	29	37		
Freehold land and buildings	19	18		
4. OTHER INCOME	2021-22	2020-21		
	£000	£000		
Roll & Development events	77	16		
Contribution towards salary costs	83	51		
VAT recoverable	52	55		
Research grant from DfID/FCDO	189	363		
Coronavirus Job Retention Scheme grant	-	281		
Other	61	40		
	462	806		
5. DONATIONS, LEGACIES AND NEW ENDOWMENTS	2021-22	2020-21		
	£000	£000		
Unrestricted donations	3,374	1,423		
Release from deferred capital grants	51	51		
Restricted donations	253	401		
New endowments	905	464		
	4,583	2,339		
Legacies	1,969	690		
Donations	2,563	1,598		
Release from deferred capital grants	51	51		
	4,583	2,339		
6a. OPERATING EXPENDITURE - 2021-22	Education	Accomm,	Other	Total
	(see note 7a)	Catering and	(see notes 12 &	
		conferences	13)	
		(see notes 10,11		
		& 14)		
	£000	£000	£000	£000
Staff - direct	1,512	894	266	2,672
Staff - indirect (see note 18)	1,153	1,746	137	3,036
Total staff	2,665	2,640	403	5,708
Non-staff - direct	2,050	597	217	2,864
Non-staff - indirect (see note 19)	872	1,525	84	2,481
Depreciation	419	1,216	42	1,677
Total non-staff	3,341	3,338	343	7,022
Total	6,006	5,978	746	12,730

Notes to the Accounts**6b. OPERATING EXPENDITURE - 2020-21**

	Education (see note 7b)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
	£000	£000	£000	£000
Staff - direct	1,432	796	357	2,585
Staff - indirect (see note 18)	1,120	1,744	126	2,990
Total staff	2,552	2,540	483	5,575
Non-staff - direct	1,640	321	309	2,270
Non-staff - indirect (see note 19)	687	1,261	66	2,014
Depreciation	414	1,201	41	1,656
Total non-staff	2,741	2,782	417	5,940
Total	5,293	5,322	900	11,515

7a. EDUCATION EXPENDITURE - 2021-22

	Staff direct (see note 8)	Staff indirect	Non-staff direct (see note 9)	Non-staff indirect	Dep'n	Total
	£000	£000	£000	£000	£000	£000
Teaching	940	456	115	366	210	2,087
Tutorial	106	319	72	223	126	846
Admissions	197	164	93	127	50	631
Research	262	109	58	74	17	520
Scholarships and awards	-	-	1,671	-	-	1,671
Other educational facilities	7	105	41	82	16	251
Total	1,512	1,153	2,050	872	419	6,006

7b. EDUCATION EXPENDITURE - 2020-21

	Staff direct (see note 8)	Staff indirect	Non-staff direct (see note 9)	Non-staff indirect	Dep'n	Total
	£000	£000	£000	£000	£000	£000
Teaching	896	444	88	286	206	1,920
Tutorial	117	316	66	173	124	796
Admissions	174	156	62	99	50	541
Research	237	104	29	61	17	448
Scholarships and awards	-	-	1,359	-	-	1,359
Other educational facilities	8	100	36	68	17	229
Total	1,432	1,120	1,640	687	414	5,293

Notes to the Accounts

8. EDUCATION EXPENDITURE - STAFF-DIRECT	2021-22	2020-21
	£000	£000
Directors of Studies, College Lecturers, Supervisors	625	623
Library staff	134	124
Research Fellows	255	229
Senior Tutor, Admissions Tutors, Tutors	237	198
Tutorial & Admissions Office staff	190	215
Other	71	43
Total	1,512	1,432

9. EDUCATION EXPENDITURE - NON-STAFF-DIRECT	2021-22	2020-21
	£000	£000
Awards		
Cambridge Bursary & Top-up Schemes (funded by the College)	124	117
Cambridge Bursary & Top-up Schemes (funded by the Collegiate University)	268	241
Bursaries (mainly for undergraduates)	297	250
Studentships (mainly for postgraduates)	801	688
Travel, Book and other grants	152	51
Prizes	28	12
Total awards	1,670	1,359
Other		
Admissions	93	61
Tutorial	30	5
Research	58	29
Library	21	17
Contribution towards UTO	83	69
Counselling	53	63
Grants to clubs and societies	39	36
Miscellaneous	3	1
Total	2,050	1,640

10. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - STAFF-DIRECT	2021-22	2020-21
	£000	£000
Catering	809	725
Conferences	85	71
Total	894	796

Notes to the Accounts

11. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - NON-STAFF-DIRECT		2021-22	2020-21		
		£000	£000		
Catering		558	295		
Conferences		39	26		
Total		597	321		
12. OTHER EXPENDITURE - STAFF-DIRECT		2021-22	2020-21		
		£000	£000		
The Skilliter Centre for Ottoman Studies		43	41		
The Margaret Anstee Centre for Global Studies		133	145		
Research grant from DfID/FCDO		40	122		
Academic support		50	49		
Total		266	357		
13. OTHER EXPENDITURE - NON-STAFF-DIRECT		2021-22	2020-21		
		£000	£000		
The Skilliter Centre for Ottoman Studies		4	-		
The Margaret Anstee Centre for Global Studies		8	7		
Research grant from DfID/FCDO		138	202		
Investment management and advice		38	58		
Other		29	42		
Total		217	309		
14. ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE		2021-22	2020-21		
		£000	£000		
Accommodation	College members	4,333	3,859		
	Conferences	45	40		
Catering	College members	1,495	1,330		
	Conferences	105	93		
Total		5,978	5,322		
15a. ANALYSIS OF 2021-22 EXPENDITURE BY ACTIVITY		Staff costs	Other operating expenses	Dep'n	Total
		£000	£000	£000	£000
Education (see note 6a)		2,665	2,922	419	6,006
Accommodation, catering and conferences (see note 6a)		2,640	2,122	1,216	5,978
Other		403	301	42	746
Movement to pension provisions		-	1,818	-	1,818
Loan interest payable		-	1,006	-	1,006
Contribution to Colleges Fund under Statute G,II		-	63	-	63
		5,708	8,232	1,677	15,617

Notes to the Accounts

15b. ANALYSIS OF 2020-21 EXPENDITURE BY ACTIVITY

	Staff costs	Other operating expenses	Dep'n	Total
	£000	£000	£000	£000
Education (see note 6b)	2,552	2,327	414	5,293
Accommodation, catering and conferences (see note 6b)	2,540	1,581	1,201	5,322
Other	483	376	41	900
Movement to pension provisions	-	(202)	-	(202)
Loan interest payable	-	1,021	-	1,021
Contribution to Colleges Fund under Statute G,II	-	16	-	16
	5,575	5,119	1,656	12,350

16. ANALYSIS OF EXPENDITURE

	2021-22	2020-21
	£000	£000
Operating expenses include:		
Audit fee payable to the College's external auditors	23	18
Cost of fundraising	370	373
Investment management costs - commercial property	19	19
Investment management costs - securities and cash	30	37

17a. STAFF COSTS 2021-22

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,512	1,153	2,665
Accommodation, catering and conferences	894	1,746	2,640
Other	266	137	403
	2,672	3,036	5,708

17b. STAFF COSTS 2020-21

	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,432	1,120	2,552
Accommodation, catering and conferences	796	1,744	2,540
Other	357	126	483
	2,585	2,990	5,575

Notes to the Accounts**18. ANALYSIS OF STAFF INDIRECT EXPENDITURE**

	2021-22	2020-21
	£000	£000
Housekeeping	646	703
Gardens	201	178
Maintenance	391	389
Porters' Lodge	421	361
Principal, Vice-Principal, Bursars	358	352
Bursary, HR, Principal's Secretary	458	424
IT	122	99
Development, Communications	410	369
Archive, Collections	61	40
CCFPS deficit recovery payment	-	30
Holiday accrual	(32)	45
Total	3,036	2,990

19. ANALYSIS OF NON-STAFF INDIRECT EXPENDITURE

	2021-22	2020-21
	£000	£000
Housekeeping	303	180
Gardens	97	43
Maintenance	555	688
Porters' Lodge	8	5
Electricity	270	203
Gas	187	118
Water	60	48
Rates	49	30
Insurance	86	71
Administration, Regulatory Expenditure	168	125
Office of Intercollegiate Services Levies	170	146
IT	175	154
Development, Communications	349	201
Archive, Collections	3	2
Other	1	-
Total	2,481	2,014

Notes to the Accounts

20. STAFF COSTS

	Academic	Non-Academic	Total
	£000	£000	£000
2021-22			
Staff Costs			
Salaries	838	3,484	4,322
National Insurance	60	278	338
Pension costs	169	612	781
External teaching costs	267	-	267
	1,334	4,374	5,708
2020-21			
Staff Costs			
Salaries	763	3,442	4,205
National Insurance	60	268	328
Pension costs	149	631	780
External teaching costs	262	-	262
	1,234	4,341	5,575
	Academic	Non-Academic	Total
Average staff numbers (non-FTE) - 2021-22	54	161	215
Average staff numbers (non-FTE) - 2020-21	57	144	201
The figures above show the average number of people paid through the College payroll, irrespective of the hours worked.			
Average non-academic staff numbers (FTE) - 2021-22	n/a	124	124
Average non-academic staff numbers (FTE) - 2020-21	n/a	125	125
The figures above show the average number of FTE persons paid through the payroll.			
Average number of Fellows - 2021-22	57	10	67
Average number of Fellows - 2020-21	57	10	67
Number of Fellows as at 1 October 2022	56	10	66
Number of Fellows as at 1 October 2021	57	10	67
Number of Fellows as at 1 October 2020	58	10	68

Non-academic staff who are Fellows (i.e. Domestic Bursar, Development Director, Librarian) are included in the Fellows' figures. The Principal is not included in the Fellows' figures.

During the financial year 2021-22, 57 Fellows received remuneration (2020-21: 62).

The number of officers or employees of the College, including the Principal, who received remuneration in the following ranges was:

	2021-22	2020-21
£120,000 - £130,000	1	1
£130,000 - £140,000	1	1

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

Notes to the Accounts

20. STAFF COSTS (continued)

Key management personnel

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

	2021-22 £000	2020-21 £000
Aggregated remuneration	337	317

The total remuneration for persons who served as Trustees (members of the College Council) in 2021-22 was £490k (2020-21: £416k).

21. PENSION COSTS OF CCFPS & USS

	CCFPS £000	USS £000	Total £000
2021-22			
Brought Forward	1,177	1,384	2,561
Contributions	(63)	(749)	(812)
Charge to Income and Expenditure	94	2,536	2,630
Net charge to Income and Expenditure	31	1,786	1,817
Charge to Other comprehensive income	(436)	-	(436)
Carried Forward	772	3,170	3,942
2020-21			
Brought Forward	1,616	1,632	3,248
Contributions	(57)	(721)	(778)
Charge to Income and Expenditure	102	473	575
Net charge to Income and Expenditure	45	(248)	(203)
Charge to Other comprehensive income	(484)	-	(484)
Carried Forward	1,177	1,384	2,561

22. LOAN INTEREST PAYABLE

	2021-22 £000	2020-21 £000
Bank loan	182	197
Private placement 1	511	511
Private placement 2	313	313
Total	1,006	1,021

Further information on the bank loan and private placements can be found in note 29.

Notes to the Accounts

23. CONTRIBUTION TO COLLEGES FUND UNDER STATUTE G,II	2021-22 £000	2020-21 £000
Contribution	63	16

Every College in the University is required to make an annual contribution based on the value of its assessable assets.

24. FIXED ASSETS	College Land £000	College Buildings £000	Furniture & Equipment £000	2021-22 Total £000	2020-21 Total £000
Cost or valuation					
At 1 July 2021	50,342	94,062	3,027	147,431	146,136
Additions	-	767	218	985	1,499
Disposals	-	-	(22)	(22)	(204)
	50,342	94,829	3,223	148,394	147,431
Depreciation					
At 1 July 2021	-	2,376	1,556	3,932	2,480
Charge for the year	-	1,459	218	1,677	1,656
Eliminated on disposals	-	-	(22)	(22)	(204)
	-	3,835	1,752	5,587	3,932
Net Book value					
At 30 June 2022	50,342	90,994	1,471	142,807	143,499
At 1 July 2021	50,342	91,686	1,471	143,499	143,656

A valuation of College properties was carried out by Gerald Eve, Chartered Surveyors, at 30 June 2019 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolescence.

The freehold College buildings at 30 June 2022 were insured at reinstatement costs of £119.2m.

Notes to the Accounts

25. INVESTMENTS	2021-22	2020-21
	£000	£000
At 1 July 2021	133,617	106,409
Additions	7,500	24,000
Disposals	(10,605)	(25,431)
Gain/(loss)	(17,833)	28,639
At 30 June 2022	112,679	133,617
Represented by:		
Estate properties (held directly)	3,525	3,525
Properties (held indirectly via funds)	5,793	4,787
Quoted securities - equities (held indirectly via funds)	100,639	118,037
Quoted securities - fixed interest (held indirectly via funds)	-	3,880
Unquoted (held indirectly via funds)	2,622	3,288
Cash held for reinvestment	100	100
	112,679	133,617

At 30 June 2019, a valuation of the investment properties was carried out by on an open market value for existing use basis by Gerald Eve, Chartered Surveyors. The Trustees have in place a policy to revalue professionally periodically, but consider each year whether the market value of the properties has materially changed. Any material change in market value will be reflected in a revaluation movement in the year in question. The Trustees have considered the market value at the end of the current financial year and have deemed that the value has not materially moved since the previous professional valuation.

26. STOCKS AND WORK IN PROGRESS	2021-22	2020-21
	£000	£000
Food and drink	26	35
Wine	30	36
Cleaning materials and other	24	22
	80	93

27. TRADE AND OTHER RECEIVABLES	2021-22	2020-21
	£000	£000
Taxes due from government departments	49	24
Grants receivable	1	42
Other receivables	104	94
Prepayments and accrued income	1,640	700
	1,794	860

Notes to the Accounts

28. CASH AND CASH EQUIVALENTS	2021-22	2020-21
	£000	£000
Current accounts	5,037	2,293
Cash in hand	1	1
	<u>5,038</u>	<u>2,294</u>
	<u><u>5,038</u></u>	<u><u>2,294</u></u>
29. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2021-22	2020-21
	£000	£000
Trade creditors	274	210
Loan repayments	264	248
Taxes and social security costs	35	-
Student deposits and accounts	160	250
Accruals and deferred income	810	738
	<u>1,543</u>	<u>1,446</u>
	<u><u>1,543</u></u>	<u><u>1,446</u></u>
30. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2021-22	2020-21
	£000	£000
Bank loan	3,074	3,341
Private placement 1 liability	11,580	11,580
Private placement 2 liability	7,000	7,000
	<u>21,654</u>	<u>21,921</u>
	<u><u>21,654</u></u>	<u><u>21,921</u></u>

The bank loan is secured on certain College freehold properties and is subject to interest fixed under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.

The first private placement bond of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%.

The second private placement bond of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.

31. PENSION PROVISIONS	2021-22	2020-21
	£000	£000
At 1 July 2021	2,561	3,248
Movement in year:		
Current service cost including life assurance	2,629	575
Contributions	(812)	(778)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(436)	(484)
	<u>3,942</u>	<u>2,561</u>
At 30 June 2022	<u><u>3,942</u></u>	<u><u>2,561</u></u>

Notes to the Accounts

32. ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

2021-22	Restricted permanent endowments	Unrestricted permanent endowments	Total 2021-22
	£000	£000	£000
At 1 July 2021	55,288	20,315	75,603
New donations and endowments	905	-	905
Transfer between funds	-	-	-
(Decrease) in market value of investments	(8,614)	(871)	(9,485)
At 30 June 2022	47,579	19,444	67,023

Analysis by type of purpose:

Fellowship Funds	17,914	-	17,914
Scholarship Funds	7,251	-	7,251
Prize Funds	403	-	403
Hardship Funds	6,039	-	6,039
Research Funds	14,114	-	14,114
Book Funds	923	-	923
Other Funds	935	-	935
General Endowments	-	19,444	19,444
	47,579	19,444	67,023

2020-21	Restricted permanent endowments	Unrestricted permanent endowments	Total 2020-21
	£000	£000	£000
At 1 July 2020	45,129	19,348	64,477
New donations and endowments	464	-	464
Transfer between funds	79	-	79
Increase in market value of investments	9,616	967	10,583
At 30 June 2021	55,288	20,315	75,603

Analysis by type of purpose:

Fellowship Funds	20,497	-	20,497
Scholarship Funds	8,483	-	8,483
Prize Funds	476	-	476
Hardship Funds	6,944	-	6,944
Research Funds	16,692	-	16,692
Book Funds	1,091	-	1,091
Other Funds	1,105	-	1,105
General Endowments	-	20,315	20,315
	55,288	20,315	75,603

Notes to the Accounts

32. ENDOWMENT FUNDS (continued)

	Endowment £000	Unapplied total return £000	Total £000
At 1 July 2021	44,797	30,806	75,603
Gift of Endowment funds	905	-	905
Investment returns: dividends and interest	-	569	569
	-	(10,054)	(10,054)
Net movement before application of income	905	(9,485)	(8,580)
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	905	(9,485)	(8,580)
At 30 June 2022	45,702	21,321	67,023
At 1 July 2020	44,254	20,223	64,477
Gift of Endowment funds	543	-	543
Investment returns: dividends and interest	-	308	308
	-	10,275	10,275
Net movement before application of income	543	10,583	11,126
Unapplied total return allocated to income in the year	-	-	-
Net movement in the year	543	10,583	11,126
At 30 June 2021	44,797	30,806	75,603

Notes to the Accounts

33. RESTRICTED RESERVES

Reserves with restrictions are as follows:

2021-22	Permanent unspent £000	Restricted expendable endowment £000	2021-22 £000
At 30 June 2021	3,589	14,131	17,720
New grants and donations	-	253	253
Investment income	1,569	373	1,942
Expenditure	(649)	(151)	(800)
Transfer between funds	(427)	(672)	(1,099)
(Decrease) in market value of investments	(557)	(2,182)	(2,739)
At 30 June 2022	3,525	11,752	15,277

Analysis by type of purpose:

Fellowship Funds	1,237	3,352	4,589
Scholarship Funds	1,009	1,270	2,279
Prize Funds	98	139	237
Hardship Funds	454	4,078	4,532
Research Funds	517	120	637
Book Funds	73	1,785	1,858
Other Funds	137	1,008	1,145
	3,525	11,752	15,277

2020-21	Permanent unspent £000	Restricted expendable endowment £000	2020-21 £000
At 30 June 2020	2,522	11,768	14,290
New grants and donations	-	1,006	1,006
Investment income	1,392	341	1,733
Expenditure	(876)	(1,346)	(2,222)
Transfer between funds	6	(125)	(119)
Increase in market value of investments	545	2,487	3,032
At 30 June 2021	3,589	14,131	17,720

Analysis by type of purpose:

Fellowship Funds	1,174	3,913	5,087
Scholarship Funds	1,124	1,703	2,827
Prize Funds	104	163	267
Hardship Funds	442	5,002	5,444
Research Funds	487	138	625
Book Funds	75	2,070	2,145
Other Funds	183	1,142	1,325
	3,589	14,131	17,720

Notes to the Accounts**33. RESTRICTED RESERVES (continued)**

	Endowment	Unapplied total return	Total
	£000	£000	£000
At 1 July 2021	12,271	5,449	17,720
Gift of Endowment funds	(846)	-	(846)
Investment returns: dividends and interest	-	164	164
	-	(2,903)	(2,903)
Net movement before application of income	(846)	(2,739)	(3,585)
Unapplied total return allocated to income in the year	-	1,142	1,142
Net movement in the year	(846)	(1,597)	(2,443)
At 30 June 2022	11,425	3,852	15,277
At 1 July 2020	11,384	2,906	14,290
Gift of Endowment funds	887	-	887
Investment returns: dividends and interest	-	88	88
	-	2,944	2,944
Net movement before application of income	887	3,032	3,919
Unapplied total return allocated to income in the year	-	(489)	-
Net movement in the year	887	2,543	3,919
At 30 June 2021	12,271	5,449	17,720

Notes to the Accounts

34. RECONCILIATION OF CONSOLIDATED SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2021-22	2020-21	
	£000	£000	
Surplus for the year	(19,562)	25,742	
Adjustment for non-cash items			
Depreciation and movements to Revaluation Reserve	1,677	1,656	
(Gain)/Loss on endowments, donations and investment property	17,832	(28,639)	
Decrease in stocks	13	-	
(Increase) in trade and other receivables	(933)	(411)	
Increase in creditors	81	199	
Increase/(decrease) in provisions	1,381	(686)	
Pension costs less contributions payable	436	484	
Release of deferred capital grants	(51)	(51)	
Adjustment for investing or financing activities			
Investment income receivable	(1,212)	(641)	
Interest payable	1,006	1,021	
Net cash inflow/(outflow) from operating activities	669	(1,326)	
35. CASH FLOWS FROM INVESTING ACTIVITIES	2021-22	2020-21	
	£000	£000	
Non-current investment disposal	10,604	25,430	
Investment income received	1,212	641	
Endowment funds invested	(7,500)	(24,000)	
Payments made to acquire non-current assets	(985)	(1,499)	
Total cash flows from investing activities	3,332	572	
36. CASH FLOWS FROM FINANCING ACTIVITIES	2021-22	2020-21	
	£000	£000	
Interest paid	(1,006)	(1,021)	
Repayments of amounts borrowed	(251)	(236)	
Total cash flows from financing activities	(1,257)	(1,257)	
37. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT	At 1 July	Cash	At 30 June
	2021	Flows	2022
	£000	£000	£000
Cash and cash equivalents	2,294	2,744	5,038
Borrowings: amounts falling due within one year			
Secured loans	(248)	(16)	(264)
Borrowings: amounts falling due after more than one year			
Secured loans	(21,921)	267	(21,654)
	(19,875)	2,995	(16,880)

Notes to the Accounts

38. RELATED PARTY TRANSACTIONS

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

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

During the year Newnham College received £42,819 from the Sir Isaac Newton Trust in relation to fellowship funding and Dr Laurie Friday is a Director of this Trust and a member of the College Council.

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 Council.

The salaries paid to Trustees (after salary exchange) in the year are summarised in the table below.

From	To	2021-22 Number	2020-21 Number
£0	£10,000	5	4
£10,0001	£20,000	5	6
£20,0001	£30,000	-	-
£30,0001	£40,000	1	1
£40,0001	£50,000	1	-
£50,0001	£60,000	-	-
£60,0001	£70,000	-	-
£70,0001	£80,000	-	-
£80,0001	£90,000	-	-
£90,0001	£100,000	2	2
Total		14	13

The total Trustee salaries (after salary exchange) were £369k for the year (2020-21: £315k).

The trustees were also paid other benefits (including associated employer National Insurance contributions and employer contributions to pensions) and other taxable benefits which totalled £121k (2020-21: £101k).

There are 31 Colleges, each of which is an independent corporation with its own property and income. Each College publishes its own financial statements in a form specified by the University of Cambridge. The College pays levies to support the activity of the Office of Intercollegiate Services (OIS). The OIS is responsible primarily for arranging support services to the 31 colleges of the Collegiate University(Cambridge).

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2022 these fees total £9,017k (2020-21: £9,234k). During the year the College paid the University from these fees sums totalling £6,494k (2021: £6,676k) and kept £2,523k (2020-21: £2,558k) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year Newnham College made a contribution under Statute Gil of £63k (2020-21: £16k) into the Colleges Fund. The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. Newnham College administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £268k to this scheme (2021: £241k). In the course of its charitable activities, Newnham College also pays the University of Cambridge for printing, network and other services. In addition, Newnham College periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

Notes to the Accounts

39. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly-owned by the College, are as follows:

Company	Company Number	Principal Activity
Newnham College Library Company Ltd	04077568	Inactive
Newnham College Management Ltd	02867403	Provision of maintenance and construction projects
Newnham College Ltd	02788626	Inactive

All subsidiary companies are incorporated in the United Kingdom.

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.

Newnham College Libray Limited and Newnhan College Limited had no profit or loss in either 2021-22 or 2020-21 and their balance sheet is £2 (2020-21: £2). Newnham College Management Limited incurred a loss of £1,033 (2020-21: £5,990) and a balance sheet of £19,071 (2020-21: £20,104)

40. FINANCIAL COMMITMENTS

At 30 June 2022 and 30 June 2021 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next two years as at June 2022. A total of £0m (2020-21: £0.7m) may be called up for investment at any point during that period, but this is not a liability, it would be a reclassification of College investments.

	2021-22 £000	2020-21 £000
Capital commitments at 30 June 2022 are as follows:		
Authorised and contracted for	1,207,258	670,558

41. CONTINGENT ASSETS

Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met at the year end, then the legacy is treated as a contingent asset. At the balance sheet date contingent legacy assets are estimated to be: £135,885 (2021: £676,825).

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit plan, the Cambridge Colleges' Federated Pension Scheme. At 30 June 2022 Newnham College had 3 active members participating in the plan.

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

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

	2021-22	2020-21
	% p.a.	% p.a.
Discount rate	3.80	1.80
Increase in salaries	3.25	3.10
RPI assumption	3.45*	3.40
CPI assumption	2.75*	2.60
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.30
Pension increases in payment (CPI Max 2.5% p.a.)	2.05	1.95

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

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

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

Employee Benefit Obligations

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

	2021-22	2020-21
	£000	£000
Present value of plan liabilities	-	-
Market value of plan assets	(5,416)	(6,865)
Net defined benefit asset/(liability)	4,644	5,688
	(772)	(1,177)

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

	2021-22	2020-21
	£000	£000
Current service cost	60	68
Administrative expenses	12	11
Interest on net defined benefit (asset)/liability	21	24
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Total	94	102

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

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

	2021-22	2020-21
	£000	£000
Present value of plan liabilities at the beginning of the year	6,865	7,074
Current service cost	60	68
Employee contributions	-	-
Benefits paid	(311)	(232)
Interest on plan liabilities	121	101
Actuarial (gains)/losses	(1,319)	(147)
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Present value of plan liabilities at the end of the year	5,416	6,865

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

	2021-22	2020-21
	£000	£000
Market value of plan assets at the beginning of the year	5,688	5,458
Contributions paid by the College (employer contribution)	51	45
Contributions paid by the College (employee contribution - salary exchange)	12	12
Contributions paid by the College (funding shortfall)	-	-
Contributions paid by the College (administration fee)	-	-
Benefits paid	(311)	(232)
Administrative expenses	(14)	(15)
Interest on plan assets	100	78
Return on assets, less interest included in Income and Expenditure	(881)	341
Market value of plan assets at the end of the year	4,644	5,688
Actual return on plan assets	(781)	419

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021-22	2020-21
Equities	52%	48%
Bonds and cash	34%	42%
Property	14%	10%
Total	100%	100%

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

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

	2021-22	2020-21
	£000	£000
Return on assets, less interest included in the Income and Expenditure	(881)	341
Expected less actual plan expenses	(2)	(4)
Experience gains and losses arising on plan liabilities	(371)	64
Changes in assumptions underlying the present value of plan liabilities	1,690	83
Remeasurement of net defined benefit liability recognised in OCI	436	484

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

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

	2021-22	2020-21
	£000	£000
Net defined benefit asset/(liability) at beginning of year	(1,177)	(1,616)
Recognised in Income and Expenditure	(94)	(102)
Contributions paid by the College	63	57
Remeasurement of net defined benefit liability recognised in OCI	436	484
Net defined benefit asset/(liability) at end of year	<u>(772)</u>	<u>(1,177)</u>

Funding Policy

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

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

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

Annual contributions of not less than £9,244 per annum payable for the period from 1 July 2021 to 31 March 2027.

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

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme

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

Deficit recovery liability

The total cost charged to the income and expenditure account for the College and subsidiaries in 2021-22 is £1,786k (2020-21: -£248k).

Deficit recovery contributions due within one year for the College are £206k (2020-21: £168k).

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

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

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

The key financial assumptions used in the 2020 valuation are described below.

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:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3FPA 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% p.a. for males and 1.6% p.a. for females

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme (continued)

The current life expectancies on retirement at age 65 are:

	2021-22	2020-21
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	23.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

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

The liability figures have been produced using the following assumptions:

	2021-22	2020-21
Discount rate	3.31%	0.87%
Pensionable salary growth	3.00%	2.70%