Clare College, Cambridge

Financial

Governing Body and Committees
for the year ended 30 June 2021

Status
The College is a corporate body consisting of the Master, the Fellows and the Scholars of Clare College, Cambridge as provided by the College's charter in 1359 and Statutes that were updated in 2017. The College is a registered charity with registration number 1137531 and registered office at Clare College, Trinity Lane, Cambridge, CB2 1TL.

The names of the members of the Governing Body and the Committees charged with the governance of the College during the year ended 30 June 2021 including any changes up to the date of signing are as follows:

Governing Body

Master:	Ms L C R Minghella, OBE (from 1.10.21)
	Lord A S Grabiner (until 30.9.21)
Senior Tutor:	Professor J A Tasioulas
Bursar:	Mr D J Ball (from 1.10.21)
	Mr P C Warren (until 30.9.21)

Professor P M Allmendinger
Professor N H Andrews
Professor A P Balmford
Dr P D Bristowe (until 30.9.21)
Mr S J Buczacki (until 30.9.20)
Professor A A Berman (from 1.10.21)
Professor I Budvytis
Dr I R Burrows
Professor W J Byrne
Professor A Cabrera Serrenho
Professor R G Cacho
Professor J Carroll
Dr A P Carter
Professor A D Chambers
Professor T G Chesters
Professor C J Clarke
Professor N S Clayton
Professor G Corsetti
Professor M Dunajski
Dr N J B Evans (until 30.9.20)
Dr P B Faulkner
Professor P C Fletcher
Dr T Follini
Dr E A Foyster
Professor S C Franklin
Mrs E M Freeman (until 30.9.21)
Professor A D Friend
Professor M Frolova-Walker
Professor J S Gibson
Professor R C Glen
Professor J M Goodman
Professor N C Greenham
Professor H Griffiths
Dr J A Guy
Dr R M Harris
Professor W A Harris (until 30.9.21)
Professor R D Hedley
Professor D A Hodell
Professor N B Holdstock
Professor D R Howarth
Professor K E Hughes
Professor G S Jacobs
Professor H F Jahn
Mr A L Jonson (until 30.9.21)
Professor P H Jones
Dr P F Knewstubb (until 27.10.21)
Dr L R Klee (from 1.10.21)
Professor J Krupic
Professor M B M Lahr
Professor H Laman
Professor R Lawson
Professor S M Lazar
Professor P F Leadlay
Dr I C Lestas
Professor T M Lewens
Professor Dame H M O Leyser
Professor S J Lockwood (from 1.10.21)
Mr P D McCarthy (from 1.10.21)
Professor L Maniscalco
Dr T Moore

Governing Body and Committees
for the year ended 30 June 2021

***Council**
Ms L C R Minghella, OBE (Master) (from 1.10.21)
Lord A S Grabiner (Master) (until 30.9.21)
Professor J A Tasioulas (Senior Tutor)
Mr D J Ball (from 1.10.21)
Professor J Carroll
Dr A P Carter
Dr T G Chesters (until 30.9.21)
Professor M Dunajski
Professor J S Gibson (until 30.9.21)
Professor J M Goodman
Professor H Griffiths (from 1.10.21)
Professor S M Lazar
Professor G F Parker
Professor O C H Shorttle
The
Mr P C Warren (until 30.9.21)
Ms S R Mason (MCR President)
Ms L R Rafalin (UCS President)

In Attendance: Miss E R Easterbrook (Secretary)

***Finance Committee**
Ms L C R Minghella, OBE (Master) (from 1.10.21)
Lord A S Grabiner (Master) (until 30.9.21)
Professor J A Tasioulas (Senior Tutor)
Mr D J Ball (Bursar) (from 1.10.21)
Mr P C Warren (Bursar) (until 30.9.21)
Professor P M Allmendinger
Professor A D Chambers
Professor J M Goodman
Professor N C Greenham
Professor H Laman
Professor H W van Veen
Dr J Wolf
Mr P Taylor (MCR representative)
Mr A Rawat (UCS representative)

In Attendance: Miss E R Easterbrook (Secretary)
Mrs R C Willatt (Deputy Financial Bursar)

* All members of Council and Finance Committee are charity trustees except for the student members.

Salaries and Stipends Committee
Professor R C Glen
Professor A D Chambers
Mr T Harvey-Samuel (Bursar from another college)
Professor J Woodhouse

In Attendance: Ms S Hewings (Secretary)
Mr D J Ball (Bursar) (from 1.10.21)
Mr P C Warren (Bursar) (until 30.9.21)

Audit Committee
Professor A D Chambers (Chair)
Professor R T Philips
Professor J C Prabhu (until 30.9.21)
Mr S Newman (Clare alumnus)
Mr M Smith (Clare alumnus)

In Attendance: Mr J Pollington (Secretary)
Mr D J Ball (Bursar) (from 1.10.21)
Mr P C Warren (Bursar) (until 30.9.21)
Mrs R C Willatt (Deputy Financial Bursar)

Estates Committee
Professor J A Tasioulas (Senior Tutor)
Mr D J Ball (Bursar) (from 1.10.21)
Mr P C Warren (Bursar) (until 30.9.21)
Professor P M Allmendinger (Chair)
Professor A P Balmford
Dr T Follini
Professor A D Friend
Professor H Griffiths
Professor W A Pullan
Mr D Patten (UCS representative)
Mr P Taylor (MCR representative)

In Attendance: Dr J E Costin (Secretary)
Miss E R Easterbrook (Assistant Bursar)
Ms D S Hoy (Estates Director)
Mr B E Morgan (Head Porter)
Mr J R Randall (IT Manager)

Investment Committee
Ms L C R Minghella, OBE (Master) (from 1.10.21)
Lord A S Grabiner (Master) (until 30.9.21)
Mr D J Ball (Bursar) (from 1.10.21)
Mr P C Warren (Bursar) (until 30.9.21)
Professor A D Chambers
Mr N Cumming (Clare alumnus)
Professor R C Glen
Ms Griffiths (alumna)
Dr J A Guy
Mr D Haynes (Clare alumnus)
Mr J Spiers (Clare alumnus)
Dr J Wolf
Mr P Taylor (MCR representative)
Mr Wu (UCS representative)

In Attendance: Miss E R Easterbrook (Secretary)
Mrs R C Willatt (Deputy Financial Bursar)

Aims and Objectives of the College

for the year ended 30 June 2021

The College's strategic plan sets out the College's long term aims in the context of national and global changes as follows:

- to maintain its emphasis on the individual in academic and pastoral provision; to deliver a world-class undergraduate education by safeguarding the provision of small-group teaching through the College-based supervision system; and to achieve excellence in education at both undergraduate and postgraduate levels;
- to support a community of Fellows, students and staff, allowing the benefits of a large, internationally renowned

Operating and Financial Review

for the year ended 30 June 2021

Benefactions and Donations

The College is very grateful for the many donations and bequests it has received over the past year from Clare members, corporate donors, trusts and foundations which totalled £4,610,000 including the recovery of Gift Aid. This sum included significant amounts towards the refurbishment of Old Court, student bursaries, and teaching. The College received £1,641,000 in legacies, and 1395 alumni (15.95% of living, addressable alumni) made donations to the College. This is at a similar level to the previous year during the continuing pandemic. -21 in which 264 alumni committed to give, and a Telethon is planned for 2021-22.

Total donation income and fund raising costs over the last five years are shown in the table below:

Year ended 30 June	2021	2020	2019	2018	2017
	£m	£m			

Operating and Financial

Operating and Financial Review

for the year ended 30 June 2021

Principal Risks and Uncertainties

As part of its supervision of the College's activities, the Finance Committee, with input from Audit Committee, identifies and considers the major

The College advances research through:

providing Research Fellowships to outstanding academics at the early stages of their careers, enabling them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
the employment of College Teaching Officers who, in addition to their role as Directors of Studies and supervisors of undergraduate students, maintain important research interests within the University;
supporting research work pursued by 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 from abroad; and
encouraging the dissemination of research undertaken by members of the College through the publication of pa.19( )8s6( )9(a)19(c)-6(a)48.7uts

Independent auditor's report to the Trustees of Clare College

Opinion

We have audited the financial statements of Clare College (the 'College) for the year ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ¶ give a true and fair view of the state of the College's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- ¶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ¶ have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report the

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

Use of our report

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

Statement of Principal Accounting

Statement of Principal Accounting Policies

for the year ended 30 June 2021

for temporary staff. The assets of both schemes are held in separate trustee-administered funds. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure

Consolidated Statement of Comprehensive Income and Expenditure

	Notes	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	2020 Total £'000
Income											
Academic fees and charges	1	3,433	-	-	-	3,433	3,469	-	-	-	3,469
Accommodation, catering and conferences	2	2,488	-	-	-	2,488	6,486	-	-	-	6,486
Investment income	3a	-	-	2,706	-	2,706	-	-	3,473	-	3,473
Inflation swap income	3c	-	-	-	109	109	-	-	-	145	145
Endowment retu											
Other income		1,114	-	-	-	1,114	1,220	227	-	-	1,448

Clare College, Cambridge

Consolidated Cash Flow Statement

	Notes	2021 £'000	2020 £'000
Net cash inflow from operating activities	22	1,494	4,389
Cash flows from investing activities	23	(8,559)	(6,547)
Cash flows from financing activities	24	9,929	(2,279)
(Decrease)/increase in cash in the year		2,864	(4,436)
Cash at beginning of the year		5,481	9,917
Cash at end of the year	13	**8,346**	**5,481**

The notes on pages 28 to 42 form part of the financial statements

Notes to the financial statements

6c Auditors' remuneration

	2021	2020
	£'000	£'000

Other operating expenses include:

Notes to the financial statements

8 Tangible Fixed Assets

Group	Land & Buildings £'000	Assets in construction £'000	Equipment £'000	2021 £'000	2020 £'000
Cost					
At start of year	140,893	16,539	3,436	160,868	152,431
Additions and improvements at cost	17,518	7,948	80	25,546	8,597
Disposals at cost	(2,970)	(17,415)	-	(20,385)	(160)
At end of year	155,441	7,071	3,517	166,029	160,868
Depreciation					
At start of year	15,474	-	2,975	18,449	15,724
Charge for the year	2,642	-	105	2,747	2,738
Eliminated on disposals	(683)	-	-	(683)	(13)
At end of year	17,434	-	3,079	20,513	18,449
Net book value					
At end of year	138,007	7,071	437	145,516	142,419
At start of year	125,418	16,539	462	142,419	136,707

College	Land & buildings £'000	Assets in construction £'000	Equipment £'000	2021 £'000	2020 £'000
Cost					
At start of year	140,867	16,669	3,436	160,972	152,535
Additions and improvements at cost	17,518	7,948	80	25,546	8,597
Disposals at cost	(2,970)	(17,415)	-	(20,385)	(160)
At end of year	155,415	7,201	3,517	166,133	160,972
Depreciation					
At start of year	15,474	-	2,975	18,449	15,724
Charge for the year	2,642	-	105	2,747	2,738
Eliminated on disposals	(683)	-	-	(683)	(13)
At end of year	17,434	-	3,079	20,513	18,449
Net book value					
At end of year	137,981	7,201	437	145,620	142,523
At start of year	125,392	16,669	462	142,523	136,811

The insured value of all the College's operational buildings as at 30 June 2021 was £292 million (2020: £205 million).

The Santander loan, as set out in note 17, is secured against certain outlying properties with a market value of £24 million as at October 2008.

Notes to the financial statements

Notes to the financial statements

11 Trade and other receivables

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Members of the College	154	154	707	707

Notes to the financial statements

15 Creditors: amounts falling due after more than one year Group and college	2021 £'000	2020 £'000
Loan repayable in 2048 to Santander	15,000	15,000
Inflation-linked amount due to HSBC	5,839	5,260
Other loans	20,000	15,000
	40,839	35,260

On October 2008 the College entered into a contract with Santander to borrow £15 million at 4.4% repayable in full in October 2048 and with HSBC for an inflation financial instrument to turn the conventional loan into an index-linked loan at a real interest rate of 1.1%. This inflation swap financial instrument includes a 7% inflation cap. The Santander loan of £15 million is secured against outlying operational properties with a market value of £24 million (net book value £7.5 million). The HSBC inflation swap financial instrument is secured on the £15 million investment fund over which HSBC has a lien. The College is investing the £15 million in global equity tracker funds, accumulating income over the next 40 years to meet the RPI index-linked liability to HSBC and the £15 million liability to Santander.

At 30 June 2021 the value of the investments was £41,755,000 (2020: £34,415,000) and the liabilities to Santander and HSBC totalled £20,839,000 (2020: £20,357,000). The increase of £579,000 in the inflation-linked liability during the year is shown as a reduction on total return as set out in note 3c and the liability is included in creditors as set out above.

In January 2017 the College entered into a private unsecured bond placement to borrow £15m at 2.93% repayable in full in 2045. Interest is paid semi-annually.

In the year ending 30 June 2021 the College took a £5m loan as a precautionary measure as a result of COVID-19 repayable in June 2023.

16 Inflation swap financial instruments

Group and college	2021 £'000	2020 £'000
Balance at beginning of year	14,527	12,501
Charge to comprehensive income	(695)	2,026
Balance at end of year	13,833	14,527

Derivatives mark to market valuation on inflation linked swap. For further explanation regarding the Inflation swap financial instruments please see note 15

17 Pension provisions - USS

Group and college	2021 £'000	2020 £'000
Balance at beginning of year	348	680
Movement in year:		
Contributions	(14)	(12)
Change in expected contributions	(59)	(330)
Other finance cost	5	10
Balance at end of year	281	348

18 Capital and other commitments

Group and College	2021 £'000	2020 £'000
Authorised and contracted	9,850	22,485
Authorised and but not yet contracted for	-	29
	9,850	22,514

Notes to the financial statements

19 Endowment Funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent £'000	Unrestricted Permanent £'000	2021 £'000	2020 £'000
Balance at start of year:				
Capital	51,252	-	51,252	51,028
New donations and endowments	651	-	651	1,100
Transfer from restricted reserves	-	-	-	106
(Decrease)/Increase in market value of investments	9,541	-	9,541	(983)
Balance at end of year	61,444	-	61,444	51,251
Analysis by type of purpose				
Fellowship funds	4,731	-	4,731	3,907
Scholarship funds	12,794	-	12,794	10,826
Prize funds	836	-	836	706
Hardship funds	3,329	-	3,329	2,830
Bursary funds	9,205	-	9,205	7,368
Travel grant funds	763	-	763	649
Building renewals fund	9,007	-	9,007	7,658
Other funds	12,188	-	12,188	10,006
General funds	8,590	-	8,590	7,302
	61,444	-	61,444	51,252
Analysis by asset				
Property	13,465	-	13,465	11,594
Investments	45,367	-	45,367	37,567
Cash	2,611	-	2,611	2,092
	61,444	-	61,444	51,252

20 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £'000	Permanent unspent and other restricted income £'000	Restricted expendable endowment £'000	2021 £'000	2020 £'000
Balance at start of year:					
Accumulated income	9,952	30,577	880	41,408	40,972
New grants	1,916	-	-	1,916	3,483
New donations	-	42	176	218	430
Other income	60	-	-	60	227
Endowment return transferred	-	2,373	-	2,373	2,267
Transfer	216	(237)	1	(20)	(197)
(Decrease)/Increase in market value of investments	-	5,384	-	5,384	(719)
Management Fees	-	(203)		(203)	(203)
Expenditure	-	(1,070)	(212)	(1,282)	(1,479)
Capital grants utilised	(5,199)		-	(5,199)	(3,372)
Balance at end of year	6,945	36,866	846	44,657	41,409
Analysis by type of purpose					
Fellowship funds	-	9,372	61	9,433	7,946
Scholarship funds	-	13,282	25	13,306	11,012
Prize funds	-	1,880	8	1,888	1,560
Hardship funds	-	4,474	142	4,616	3,869
Bursary funds	-	1,005	61	1,066	848
Travel grant funds	-	650	5	655	535
Building renewals fund	6,945	198	1	7,144	10,122
Other funds	-	6,004	542	6,548	5,517
	6,945	36,866	846	44,657	41,409

21 Memorandum of Unapplied Total Return

	Main endowment £'000	Inflation swap investments £'000	2021 £'000	2020 £'000
Unapplied Total Return at start of year	63,679	13,302	76,982	80,267
Surplus of total return for year (note 3)	23,750	6,534	30,285	(3,285)
Unapplied total Return at end of year	87,430	19,837	107,267	76,982

Clare College, Cambridge

Notes to the financial statements

25 Consolidated reconciliation and analysis of net debt

	At 1 July 2020 £000	Changes in Market value £000	At 30 June 2021 £000
Cash and Cash Equivalents	5,481	2,865	8,346

Notes to the financial statements

27 Related Party Transactions

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

From	To	2021 Number	2020 Number
£0	£10,000	10	8
£10,001	£20,000	2	1
£20,001	£30,000	1	2
£30,001	£40,000	-	-
£40,001	£50,000	2	2
£50,001	£60,000	-	1
£60,001	£70,000	1	1
£70,001	£80,000	-	-
£80,001	£90,000	1	-
£90,001	£100,000	1	1
	Total	18	16

The total Trustee salaries were £427,194 for the year (2020: £403,527)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £84,327 for the year (2020: £83,144)

The College has a number of trading and dormant subsidiary undertakings which are consolidated into these accounts. All subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales.

Notes to the financial statements

28 Pension Schemes (continued)

(a) Universities Superannuation Scheme

The total cost charged to the Statement of Comprehensive Income and Expenditure is £82,000 (2020: (£171,000)) as shown in note 28c.
At the financial year end the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2018 (the valuation date). TSince the year end the valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022.
Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following

Pension increases (CPI)	Term dependent rates in line with the difference between the
Discount rate (forward rates)	
Mortality base table	Pre-retirement:
	Post retirement:
Future improvements to mortality	

	2021	**2020**
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

	2021	**2020**
Discount rate	0.87%	1.45%
Pensionable salary growth	3.0%	2.7%

Notes to the financial statements

28 Pension Schemes (continued)

(b) Clare College Contributory Pension Scheme and NEST

	2021	2020
	£'000	£'000
Universities Superranuation Scheme	82	(171)
Clare Contributory Pension Scheme	416	392
NEST	-	-
Total pension costs (note 7)	498	220

29 Post Balance Sheet Event