Clare College, Cambridge

Financial statements
for the year ended 30 June 2019

Governing Body and Committees for the year ended 30 June 2019

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 2013. 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 2019 were as follows:

Governing Body

Master:	Lord A S Grabiner
Senior Tutor:	Dr J A Tasioulas
Bursar:	Mr P C Warren

Professor P M Allmendinger
Professor N H Andrews
Professor A P Balmford
Dr P D Bristowe
Mr S J Buczacki
Professor W J Byrne
Dr R G Cacho
Dr J Carroll
Dr A P Carter
Dr A D Chambers
Dr T G Chesters
Professor C J Clarke
Professor N S Clayton
Dr L J Colw9 (ay)3wPr

Aims and Objectives of the College for the year ended 30 June 2019

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 university to be realised in a small-scale and close-knit community;
- to foster and support a community of active alumni contributing to the life and future of the College;
- to promote academic research of the highest quality; and
- to maintain and enhance the endowments and benefactions, historic buildings and grounds of the College for the benefit of current and future generations.

Remaining an independent foundation within a collegiate university is fundamental to the College's long-term strategy. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in formulating University policy.

Within the collegiate University, Clare offers distinctive strengths. The College is committed to sustaining and enhancing its particular contribution to Cambridge and to society in general by:

- maintaining and developing its long-standing commitment to encouraging applications from the most talentedstta -0.08.04 eral

Operating and Financial Review for the year ended 30 June 2019

r158[(ou)-S4 (rcal)]TJ E (rcal)]TJ are continuing to rise and Clare is determined to stay in the top echelon globally. During the year by
9 this meant the College spent £11,076 on the education of each undergraduate student, mainly on the intensive support
n student's Director of Studies and supervisors. In addition, the College spent £5,039 on the education of each graduate
l cost of educating 514 undergraduates and supporting 197 graduate students increased to £6,686,000 (2018: £6,527,000),
e sustained through the generosity of benefactors. The College receives a contribution equating to £4,625 for each new
y way of the College Fee, but this leaves a shortfall of £6,451 for each undergraduate student, amounting to 58% of the

During the year, the College has continued to pursue its charitable aims in promoting learning, study, and teaching in a community of scholars in the University of Cambridge. The intense pressuree5.737 0 Td (to)Tj/c sen-Tj 0.903 Tc 0.sm62 0 Td3sen-852Tj -82n-7]34.85 0 c,ghe8-r

Changes to Higher Education funding and student finance have resulted in increased levels of debt for students which will inevitably lead to heavy pressure on Clare's hardship funds. During the year the College made total bursaries and awards of £671,894 (2018: £575,888) to undergraduate and graduate students. In addition to bursaries and other grants, the College offers subsidies on the cost of food and accommodation as extra undergraduate and graduate student support.

The College aims to raise sufficient funds from benefactors to preserve small-group teaching for undergraduates, provide bursaries in support of Clare undergraduates from low income backgrounds, and support graduate study through scholarships and hardship grants. This entails a significant challenge in raising additional income, while fighting to keep fees affordable. The College Repo256.56 (s)Tj 0 -1.18 TD (FRS 102 - This is the RCCA format has also been adopted in the preparation of the 2019 financial accounts. On page 20, the Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £5,828,000 (2018: £15,090,000). The SOCIE is a statement of all movements in the net assets of the College between one year and the next. It therefore takes account of all operating income and expenditure, investment gains and losses and other adjustments, including total return and pension provisions. The boxed sections (headed unrestricted) on page 20

Operating and Financial Review for the year ended 30 June 2019

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 tota

Operating and Financial Review for the year ended 30 June 2019

Capital Expenditure and Buildings Refurbishment

During the 2018-19 financial year the College finally started the Old Court project and the

of the College's estate that there will be unexpected issues that may arise;

Operating and Financial Review for the year ended 30 June 2019

- a continuing low interest rate environment may also adversely affect both investment markets and pension obligations;
- the failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties with a significant change to the funding of Universities in England, mean that the funding and costs associated with the College's core activity will need to be kept under constant review;
- the restoration of Old Court and redevelopment of St Regis may have a significant impact on College finances, directly through the substantial building costs involved, and also indirectly as the work may have a disruptive impact on conference and accommodation activity.

Public Benefit as a Charity

The College has met its responsibilities regarding public benefit by providing, in conjunction with the University, an education for some 711 undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, preparing them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative, and academic support through its tutorial and graduate mentoring systems;
- ssi0.0niadks0P <</MCadnnd he ade-11e8

Statement of Internal Control for the year ended 30 June 2019

1. The Finance Committee is responsible for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, while safeguarding funds and assets for which the Governing Body is responsible, in a 2.in 0 Tc 0 Tw 2d[(s)(is)Tj 0 Tc 0 Tw 0.716n 0 Tc 0 3.108 00.022 Tc 0.021 0 Td [(wt-20.9 (vi)-22.9 (c)-28.5)3.6]TJ 0 Tc 0 Tw 2.881 0 Td ( )Tj -0 Colrning in

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 the Act and relevant regulations made or having effect thereunder. 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%e2%80%99s-responsibilities-for . This description forms part of our auditors' report.

Use of our report

This report is made solely to the College trustees, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the

Statement of Principal Accounting Policies for the year ended 30 June 2019

Investments

Investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Investment properties are valued annually based on open market values provided by third party valuers.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, if it is probable that a transfer of economic benefits 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 0.019 Tw 0.313 0gati32tTw 7.90d ( )Tj -0.013 Tc 4 Tc 0.004 TwTj EMC /P <</MCID 17 >>BDC /TT2 1 Tf 0 -miigation.

Statement of Principal Accounting Policies for the year ended 30 June 2019

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.thornyJ 0 Tc-0 Tw 1.373leg0.448 0 T6 (ender)]TJ

Consolidated Statement of Comprehensive Income and Expenditure

	Notes	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	2019 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Inflation Swap £'000	2018 Total £'000
Income											
Academic fees and char		-	3,798	-	ade	3,798		3,943	-		
- 122 122		-	-	-	105	105					
(3,553) - -		1,061	2,238	(3,299)	-	-					
- - 629		366	-	-	-	366					
Total income before donations and endowments		13,142	2,109	390	122	15,763	12,259	2,238	499	105	15,100
Donations	20	652	305	-	-	957	533	365	-	-	898
New endowments	19	-	-	1,665	-	1,665	-	-	602		602
Other capital grants for assets	20	-	1,852	-	-	1,852	-	5,123	-	-	5,123
Total income		13,795	4,265	2,055	122	20,237	12,792	7,726	1,101	105	21,723
Expenditure											
Education	4	5,463	1,224	-	-	6,686	5,311	1,217	-	-	6,527
Residences, catering and conferences	5	7,647	-	-	-	7,647	7,507	-	-	-	7,507
Other expenditure		1,423	143	355	980	2,901	813	43	182	927	1,965
Contribution under Statute G, II		86	-	-	-	86	78	-	-	-	78
Total expenditure		14,618	1,367	355	980	17,320	13,709	1,259	182	927	16,077
Surplus/(deficit) before other gains and losses											

Consolidated Statement of Changes in Reserves

	Inflation Swap	Total

Balance Sheet

	Notes	Group 2019 £'000	College 2019 £'000	Group 2018 £'000	College 2018 £'000
Non-current Assets					
Fixed assets	8	136,707	136,811	134,157	134,130
Heritage assets	8a	62	62	62	62
Investments	9a	128,953	128,953	123,412	123,412
Inflation swap investments					

Consolidated Cash Flow Statement

	Notes	2019 £'000	2018 £'000
Net cash inflow from operating activities	22	6,523	5,239
Cash flows from investing activities	23	(3,027)	9,472
Cash flows from financing activities	24	995	(13,572)
Increase/(decrease) in cash in the year		4,492	1,138
Cash at beginning of the year		5,425	4,286
Cash at end of the year	25	9,917	5,425

The notes on pages 24 to 36 form part of the financial statements

Notes to the financial statements

1 Academic fees and charges

	2019	2018
	£'000	£'000
Fee income received at the Regulated Undergraduate rate	2,106	1,972
Fee income received at the Unregulated Undergraduate rate	351	333
Fee income received at the Graduate rate	616	695
Cambridge Bursary Scheme	96	130
	3,169	3,130

2 Income from residences,catering and conferences

		2019	2018
		£'000	£'000
Accommodation	College members	2,958	2,961
	Conferences	1,691	1,681
Catering	College members	966	963
	Conferences	2,283	2,095
		7,899	7,701

3 Endowment return and investment income

	2019	2018
	£'000	£'000

Notes to the financial statements

	2019 £'000	2018 £'000
3c Total return on inflation swap contracts		
Actual income from:		
Quoted securities	122	105
Other interest receivable	-	-
	122	105
Gains on inflation swap asset:	1,692	2,215
Inflation-linked amount due to HSBC (note 15)	(689)	(630)
Interest and fees (note 3d)	(292)	(297)
Total return on inflation swap contracts (note 21)	833	1,392

The inflation swap contracts are accounted for on a total return basis. The total actual income and gains/losses in the year is accumulated within the reserves, as set out in note 21. There is no drawdown permitted under the terms of the inflation swap.

3d Interest and fees on inflation swap investments		
Interest paid to HSBC	(217)	(211)
Interest paid to Santander	(664)	(664)
	(881)	(876)
Interest received from HSBC	664	670
	(217)	(206)
Fees on inflation swap investments	(75)	(91)
	(292)	(297)

Interest paid to Santander and to/from HSBC is calculated on the £15 million loan and inflation swap repayable in 2048 (note 15).

Notes to the financial statements

	2019	2018
	£'000	£'000
4 Education expenditure		
Teaching	3,129	3,206
Tutorial	1,132	964
Admissions	838	839
Research	780	542
Scholarships and awards	332	559
Other educational facilities	476	236
	6,686	6,346

5 Residences,catering and conferences expenditure			
Accommodation	College members	3,186	3,128
	Conferences	1,842	1,808
Catering	College members	1,003	985
	Conferences	1,615	1,586
		7,647	7,507

6a Analysis of 2019 expenditure by activity

	Staff costs (note 7)	Other expenses	Depreciation	2019
	£'000	£'000	£'000	£'000
Education	2,862	2,769	1,054	6,686
Residences,catering and conferences	3,510	2,497	1,640	7,647
Other	792	2,043	66	2,901
Contribution under statute G, II	-	86	-	86
	7,165	7,395	2,760	17,320

6b Analysis of 2018 expenditure by activity

	Staff costs (note 7)	Other expenses	Depreciation	2018
	£'000	£'000	£'000	£'000
Education	3,063	2,410	1,055	6,527
Residences,catering and conferences	3,259	2,607	1,642	7,507
Other	158	1,741	66	1,965
Contribution under statute G, II	-	78	-	78
	6,480	6,835	2,763	16,077

Notes to the financial statements

6c Auditors' remuneration

	2019 £'000	2018 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditors (inclusive of VAT)	27	26
Other fees payable to the College's external auditors (inclusive of VAT)	13	25
	40	51

7 Staff costs

	College Fellows	Other academic	Non-

Notes to the financial statements

8 Tangible Fixed Assets

Group	Land & Buildings	Assets in construction	Equipment	2019	2018
	£'000	£'000	£'000	£'000	£'000
Cost					
At start of year	140,686	3,300	3,141	147,127	143,661
Additions and improvements at cost	341	4,899	139	5,379	3,466
Disposals at cost	(75)	-	-	(75)	-
Transferred from Assets under Constructions	76	(76)	-	-	-
At end of year	141,028	8,123	3,280	152,431	147,127
Depreciation					
At start of year	10,221	-	2,750	12,971	10,208
Charge for the year	2,631	-	129	2,760	2,763
Eliminated on disposals	(7)	-	-	(7)	-
At end of year	12,845	,80/-8578(.01862(r).0087t2.0 (,)2,0867		(62.0 (,)2.0T)2.00983(y)34.26629-9-9-9-9-9-9-9-9-(r087	
Aditions and improvements at cost		341	4,899	1ea' 0	379 ,,'
Disposals at cost		(75)	-	- (7)	-

Clare College, Cambridge

Notes to the financial statements

11 Trade and other receivables

Group

Notes to the financial statements