

ORDINANCE - EXPENDITURE OF CORPORATE CAPITAL

1. Notwithstanding its status as unrestricted general reserves, the Corporate Capital of the College shall be treated by the College in the same manner as if it were permanent endowment (as defined by the Charity Act 2011) ("Permanent Endowment"), such that only the income generated from Corporate Capital may ordinarily be used by the College. The College considers that it is in the best interests of the College to preserve the capital and expend only income in the manner set out herein. In the event of the College changing to a total-return policy for some or all of the Corporate Capital then drawings may be used as unrestricted income by the College up to an absolute maximum of 4% of the median value of the previous 3 years' valuations of the Corporate Capital taken at the close of business on 30th June in each year.

2. The Corporate Capital may only be expended where the following conditions are met:
 - (a) an urgent and unforeseen and critically important event requires substantial expenditure and where there is no other source of funding available
and
 - (b) Council approves the expenditure, having due regard to the College's long term goal and strategy that the Corporate Capital is to be treated in the same manner as Permanent Endowment
and
 - (c) all the material risks to the financial wellbeing of the College have been properly assessed following independent and appropriate professional advice.

Corporate Capital is defined as all property held by the College constituted by or derived from the receipt of Grants under Statute G, II, 18 of the University of Cambridge, including capital gains or losses on any such property, and income derived from such property that is not spent in the financial year in which it is earned.

Corporate Capital will be separately identified in the Statutory Accounts of the College as a sub-heading under General Reserves described as "Corporate Capital" and will identify the £18,744,571 reclassified in the accounts for the year ended 30 June 2011 and note that it is the amount described as Corporate Capital in the Ordinances. If for any reason it is not possible to use the words Corporate Capital, there will be an added note in reserves that makes it clear that this amount used to be called Corporate Capital.

3. A proposal for approval of such expenditure must be approved by the following procedure:

At a Council meeting (the Initial Meeting) the proposal must be supported by an "**Approving Vote**", which in this Ordinance shall mean an affirmative vote from:

- a) no less than two thirds of the full list of Council members, excluding those on research leave and the President, who are eligible to vote, and
- b) no less than two thirds of the full list of Council members, excluding those on research leave, the President and the College Officers, who are eligible to vote, and
- c) the President (if the President votes).

The Approving Vote shall not be valid unless:

- 3.1. The full agenda or an appropriate special notice of the relevant agenda items has been published and publicised to all Council members at least 12 Clear Days (Clear Days being elapsed days not including the day of issue or the day of the meeting) in advance of the Initial Meeting and the significance of the expenditure item as being subject to this Ordinance has been clearly and unambiguously drawn to the attention of Council members.
- 3.2. All relevant background papers and other materials, including a copy of this Ordinance or valid electronic link to a copy of this Ordinance, an impact assessment of the expenditure on the long term solvency of the College prepared by independent professional external advisors (not being the College auditors) with experience of the finances of similar size or larger organizations and a paper from the Finance Committee supporting the proposed expenditure, have been published to all Council members at least 6 Clear Days in advance of the Initial Meeting.
- 3.3. All information, advice, guidance or other understanding that is likely to affect the decision by College Council, where College Council and each member of Council individually is acting reasonably in all the circumstances (Information), is available at least 6 Clear Days before the Initial Meeting and no material new Information emerges closer than 6 Clear Days before the Initial Meeting. This applies whether the Information is communicated verbally, in writing or by any other means,
- 3.4. At least the President and three quarters of those other Council members present and entitled to vote confirm at the Initial Meeting that they have received all the published papers at least 5 Clear days in advance of the Initial Meeting and this confirmation is recorded in the minutes of the Initial Meeting.
- 3.5. The Approving Vote including the grounds for the decision and a summary of the points made in discussion are recorded in the minutes of the Initial Meeting.
4. Within 12 Clear Days of the Initial Meeting all papers relevant to the decision on the expenditure at the Initial Meeting plus all of the parts of the unapproved minutes of the Initial Meeting relevant to the expenditure shall be published and publicised to all members of College Governing Body.
5. Within 12 Clear Days of the Initial Meeting the attention of members of the Audit Committee shall be drawn to the papers published under 4.
6. At a second Council meeting (the Approval Meeting) the decision to approve the expenditure must be taken by an Approving Vote. The Approving Vote shall not be valid unless:
 - 6.1. The Approval Meeting takes place not less than 6 weeks and not more than 12 weeks after the Initial Meeting, and
 - 6.2. The agenda of the Approval Meeting and the unapproved minutes of the Initial Meeting in the form circulated to the Governing Body have been published and publicised to all Council members at least 12 Clear Days in advance of the Approval Meeting and the significance of the expenditure item as being subject to this Ordinance has been clearly and unambiguously drawn to the attention of Council members, and
 - 6.3. All relevant background papers and other materials, including those identified in 3.2 and 3.3 above, where relevant in the form published to the Governing Body, have been published to all Council members at least 6 Clear Days in advance of the Approval Meeting. These shall include a copy of any report or comments submitted by the Audit Committee.
 - 6.4. All material Information is available at least 6 Clear Days before the Approval Meeting and no new Information emerges closer than 6 Clear Days before the Approval Meeting, and

- 6.5. At least the President and three quarters of those other Council members present and entitled to vote confirm at the Approval Meeting that they have received all the published papers at least 5 Clear days in advance of the Approval Meeting and this confirmation is recorded in the minutes of the Approval Meeting.
- 6.6. The minutes of the Initial Meeting are approved without material change by an Approving Vote.
- 6.7. The Approving Vote, including the grounds for the decision and a summary of the points made in discussion, are recorded in the minutes of the Approval Meeting, and
- 6.8. All of the parts of the minutes of the Approval Meeting that are relevant to the expenditure are approved within 26 Clear Days by the President and an Approving Vote. Approval may be obtained at a meeting of Council or from each Council member separately in writing, including by email.

Both the vote to support a proposal for approval and the vote to approve the expenditure shall take place as part of the reserved business of the Council. Should the expenditure of Corporate Capital be approved, Council is required to form an opinion, in the context of the presumption against expenditure of Corporate Capital, as to whether the Corporate Capital should be replaced and if so in what timescale.

GUIDANCE NOTES

1. 'an urgent and unforeseen event' refers to unforeseen circumstances where
 - if such expenditure is not made there is little chance of avoiding seriously prejudicing the College's ability to fulfil its charitable objectives as set out in the Statutes and/or risks causing severe detriment to the level of charitable benefits that the College is able to provide to its present or future beneficiaries, and
 - if the expenditure is made then the damage to the work of the College can be avoided, including taking into account the long term effects of the reduced Corporate Capital, and
 - all other courses of action having been actively considered and reasonably rejected.

Expensive and unplanned repairs to a building, to the extent that they must be undertaken immediately, and for which there is no other possible source of funding, may constitute an example of an urgent and unforeseen event that requires substantial expenditure. By way of example only, an unexpected opportunity to invest in new buildings or other improvement projects is not 'an urgent and unforeseen event'.

2. Under the financial covenants to the College Loan Agreements, College must hold unrestricted assets at least twice its borrowings. Borrowings are defined below. The College must be aware that under the terms of the Funding Agreement entered into with the Lancaster Taylor Charitable Trust, the endowment received pursuant to that agreement is specifically excluded from being used for this purpose of loan collateral and so cannot be included in the assessment of unrestricted assets.
3. The Council Secretary is generally required to ensure that business is passed smoothly between Committees and between Committees and Council. The Finance Committee would initially consider the case for expenditure of Corporate Capital and make recommendations to the Council. In this context, the Council Secretary must ensure that both Finance Committee members and Council members are adequately informed in good time in order to make a properly informed and carefully considered decision under the terms of the Ordinance. Adequate and timely information must also be provided to the Finance Committee and Council in order to allow them to form an opinion as to whether the Corporate Capital should be replaced.
4. The Finance Committee and the Council meetings are intended as a safeguard of scrutiny of the case for expenditure of the Corporate Capital and the Finance Committee and Council are therefore required to consider fully all factors which they should take into account including a presumption against expenditure of Corporate Capital.
5. In the event that material new Information, as set out in 3.3 and 6.4, becomes available less than the prescribed time before the intended meeting then that meeting should be rescheduled to allow at least the prescribed time for the new Information to be properly considered. The new Information shall be distributed as a relevant background paper under the relevant terms of (3.2 or 6.3).
6. It is not sufficient to record the decision alone in the minutes of the meetings. The minutes shall include all the material points made in the discussion.
7. Proportions are always rounded up. So two thirds of 2 is 2, of 3 is 2, of 4 is 3, of 5 is 4, of 6 is 4, etc. Similarly three quarters of 3 is 3, of 4 is 3, 5 is 4, 6 is 5, 7 is 6, 8 is 6, 9 is 7 etc.
8. Borrowings are defined as all Indebtedness in respect of money borrowed or raised including (without limitation):

- i. Indebtedness as a result of loans from banks, financing companies, individuals or any other source; and
 - ii. The capitalised value of obligations under any hire purchase agreements and finance leasing agreements (as determined in accordance with applicable accounting principles applicable to the University of Cambridge); and
 - iii. Indebtedness evidenced by bonds, debentures, loan stock, notes, commercial paper or similar instruments; and
 - iv. Indebtedness (including contingent liabilities) arising under or by virtue of (a) acceptance credits, (b) debt factoring, invoice or trade bill discounting or note purchase facilities (save to the extent that there is no right of recourse against the College or any subsidiary), (c) drawings under bill options provided for in loan facilities, (d) deferred payments for assets or services, (e) guarantees, indemnities or other assurances given by the College or any subsidiary against financial loss in respect of any Indebtedness specified in this definition of any legal person, (f) counter-indemnities in respect of letters of credit, bonds, guarantees, indemnities or other similar obligations issued or created in favour of third parties and (g) any other transaction having substantially the same effect as any of the forgoing, including (without limitation) those where liabilities are not shown as borrowings on the balance sheet of the College or any subsidiary by reason of being contingent, conditional or otherwise for any other reason, but excluding Indebtedness owing between the College and any of its subsidiaries or between such subsidiaries;
9. Indebtedness shall be construed so as to include any obligation for the payment or repayment of money, whether actual or contingent, present or future, secured or unsecured, and whether incurred as principle or surety or otherwise.

ORDINANCE - BORROWING

1. There is a strong general presumption against the College borrowing money whether directly or indirectly and a preference for fund raising as the normal approach to enabling capital expenditure. Before a loan is considered all other approaches, particularly fund raising and asset sales, must have been carefully considered and reasonably found to be unworkable.

A Loan is any loan or any other financial arrangements, such as supplier financing of buildings or hire purchase schemes, in which there is explicit or implied debt.

Long-term Loans (Long Loan) are only acceptable only if

- a) the Long Loan will be used solely and entirely to support a venture which will cover the costs of the Long Loan and then make an appropriate return on investment for the level of risk being accepted by the College. In order for this justification to be used there must be a detailed business plan that has been carefully reviewed and approved by the Finance Committee and by at least one reputable independent professional advisor with considerable directly relevant experience. In addition to all the normal contents this business plan must specifically show a detailed risk analysis and cash flow forecast; or
- b) there is no other way to achieve a strategically important objective where failure to achieve the objective will result in serious and immediate threat to the ability of the College to fulfil the strategic educational objectives set out in the College Statutes.

A Long Loan is defined as a Loan with a maximum duration of more than 9 months, regardless of the value of the Loan.

Short-term Loans (Short Loan) are only permitted if they are used solely and entirely to fund working capital and are the only way to enable the College to meet a short term cash flow crisis. In order to qualify as a Short Loan the maximum duration of the loan must be less than 9 months. There is an exemption from this Ordinance for borrowing with a maximum duration of less than 9 months up to an aggregate amount for all such arrangements at any one time of the Material Loan Minimum (as defined in the paragraph below).

To facilitate the smooth operation of the College initially the Material Loan Minimum will be £1,000,000 in financial year 2012/13, £800,000 in 2013/14, £600,000 in 2014/15, £500,000 in 2015/16 and at £500,000 thereafter, subject to paragraph 4 below.

2. Before approving a Long Loan Council must ensure that
 - (a) all realistic alternative approaches, such as fund raising and assets sales, have been properly investigated and reasonably found to be unworkable,
and
 - (b) the Long Loan is essential in the interests of the College meeting its fundamental educational objectives and that the matter is sufficient to override the strong presumption against borrowing
and
 - (c) the College has in place a plan under which it is justifiably confident that it shall be able, throughout the duration of the full term of the Loan, to meet the repayment of principal and interest on the Loan as they each fall due
and
 - (d) all the material risks have been properly assessed following independent professional advice.

A proposal for approval of such a Loan must be approved by the following procedure:

- 2.1. At a Council meeting (the Initial Meeting) the proposal must be supported by an "**Approving Vote**", which in this Ordinance shall mean an affirmative vote from:
- a) no less than two thirds of the full list of Council members, excluding those on research leave and the President, who are eligible to vote, and
 - b) no less than two thirds of the full list of Council members, excluding those on research leave, the President and the College Officers, who are eligible to vote, and
 - c) the President (if the President votes).

The Approving Vote shall not be valid unless:

- 2.1.1. The agenda has been published and publicised to all Council members at least 12 Clear Days in advance of the Initial Meeting and the significance of the Loan item as being subject to this Ordinance has been clearly and unambiguously drawn to the attention of Council members.
 - 2.1.2. All relevant background papers and other materials, including a copy of this Ordinance or valid electronic link to a copy of this Ordinance, a business plan or an impact assessment of the Long Loan on the long term solvency of the College prepared by independent professional external advisors (being not the College auditors) with experience of the finances of similar size or larger organizations, and a paper from the Finance Committee supporting the proposed Long Loan, have been published to all Council members at least 6 Clear Days in advance of the Initial Meeting.
 - 2.1.3. All material Information is available at least 6 Clear Days before the Initial Meeting and no material new Information emerges closer than 6 Clear Days before the Initial Meeting.
 - 2.1.4. At least the President and three quarters of those other Council members present and entitled to vote confirm at the Initial Meeting that they have received all the published papers at least 5 Clear days in advance of the Initial Meeting and this confirmation is recorded in the minutes of the Initial Meeting.
 - 2.1.5. The Approving Vote, including the grounds for the decision and a summary of the points made in discussion are recorded in the minutes of the Initial Meeting.
- 2.2. Within 12 Clear Days of the Initial Meeting all papers relevant to the decision on the Long Loan at the Initial Meeting plus all of the parts of the unapproved minutes of the Initial Meeting relevant to the Long Loan shall be published and publicised to all members of Governing Body.
- 2.3. Within 12 Clear Days of the Initial Meeting the attention of members of the Audit Committee shall be drawn to the papers published under 2.1.
- 2.4. At a second Council meeting (the Approval Meeting) the decision to approve the Long Loan must be taken by an Approving Vote. This vote shall not be valid unless:
- 2.4.1. The Approval Meeting takes place not less than 6 weeks and not more than 12 weeks after the Initial Meeting, and
 - 2.4.2. The agenda of the Approval Meeting and the unapproved minutes of the Initial Meeting in the form published to the Governing Body have been published and publicised to all Council members at least 12 Clear Days in advance of the Approval Meeting and the significance of the Long Loan item as being subject to this

Ordinance has been clearly and unambiguously drawn to the attention of Council members, and

- 2.4.3. All relevant background papers and other materials, including those identified in 2.1.2, have been published to all Council members at least 6 Clear Days in advance of the Approval Meeting, These shall include a copy of any report or comments submitted by the Audit Committee, and
- 2.4.4. All material Information is available at least 6 Clear Days before the Approval Meeting and no material new Information emerges closer than 6 Clear Days before the Approval Meeting, and
- 2.4.5. At least the President and three quarters of those other Council members present and entitled to vote confirm at the Approval Meeting that they have received all the published papers at least 5 Clear days in advance of the Approval Meeting and this confirmation is recorded in the minutes of the Approval Meeting.
- 2.4.6. The minutes of the Initial Meeting are approved without material change by an Approving Vote, and
- 2.4.7. The Approving Vote, including the grounds for the decision and a summary of the points made in discussion are recorded in the minutes of the Approval Meeting, and
- 2.4.8. All of the parts of the minutes of the Approval Meeting that are relevant to the Long Loan are approved within 26 Clear Days by an Approving Vote. Approval may be obtained at a meeting of Council or from each Council member separately in writing, including by email.

3. Before approving a Short Loan Council must ensure that

- (a) the Short Loan is essential in the interests of the College and that the matter is sufficiently important to override the strong presumption against borrowing
and
- (b) the College has in place a plan under which it is very confident it can achieve over the full term of the agreement to meet the repayment of principal and interest on the Loan as they fall due
and
- (c) all the material risks have been properly assessed following independent professional advice.

A proposal for approval of such a Short Loan must be approved by the following procedure:

- 3.1. At a Council meeting (the Approval Meeting) the decision to approve the Short Loan must be taken by an Approving Vote. This vote shall not be valid unless:
 - 3.1.1. The agenda of the Approval Meeting has been published and publicised to all Council members at least 12 Clear Days in advance of the Approval Meeting and the significance of the Short Loan item as being subject to this Ordinance has been clearly and unambiguously drawn to the attention of Council members, and
 - 3.1.2. The parts of the agenda and supporting papers dealing with the Short Loan have been published and publicised to all members of the Audit Committee at least 12 Clear Days in advance of the Approval Meeting and the significance of the Short Loan item

as being subject to this Ordinance has been clearly and unambiguously drawn to the attention of Audit Committee members, and

- 3.1.3. All relevant background papers and other materials, including a copy of this Ordinance, or valid electronic link to a copy of this Ordinance, and a supporting paper from the Finance Committee, have been published to all Council members and Audit Committee members at least 6 Clear Days in advance of the Approval Meeting, and
 - 3.1.4. All material Information is available at least 6 Clear Days before the Approval Meeting and no material new Information emerges closer than 6 Clear Days before the Approval Meeting, and
 - 3.1.5. At least the President and three quarters of those other Council members present and entitled to vote confirm at the Approval Meeting that they have received all the published papers at least 5 Clear days in advance of the Approval Meeting and this confirmation is recorded in the minutes of the Approval Meeting.
 - 3.1.6. The Approving Vote, including the grounds for the decision and a summary of the points made in discussion are recorded in the minutes of the Approval Meeting, and
 - 3.1.7. All of the parts of the minutes of the Approval Meeting which are relevant to the Loan are approved within 26 Clear Days by an Approving Vote. Approval may be obtained at a meeting of Council or from each Council member separately in writing, including by email.
4. The Material Loan Minimum defined above may be increased using the procedure set out below no earlier than [*1 April 2017*], and thereafter no earlier than 5 years after the Material Loan Minimum was last increased.

On the first occasion that the Material Loan Minimum is increased, it may be increased by a proportion no higher than the proportion by which the UK Consumer Price Index has increased between 1 April 2012 and the date on which the increase is proposed. On all subsequent occasions, the Material Loan Minimum may be increased by a proportion no higher than the proportion by which the UK Consumer Price Index has increased between the date of the previous increase in the Material Loan Minimum and the date on which the further increase is proposed.

A proposal for approval of such an increase in the Material Loan Minimum must be approved by the following procedure:

- 4.1. At a Council meeting (the Approval Meeting) the decision to increase the Material Loan Minimum must be taken by an Approving Vote. This vote shall not be valid unless:
 - 4.1.1. The agenda of the Approval Meeting has been published and publicised to all Council members at least 12 Clear Days in advance of the Approval Meeting and the significance of the increase in the Material Loan Minimum as being made pursuant to this Ordinance has been clearly and unambiguously drawn to the attention of Council members, and
 - 4.1.2. The parts of the agenda and supporting papers dealing with the increase in the Material Loan Minimum have been published and publicised to all members of the Audit Committee at least 12 Clear Days in advance of the Approval Meeting and the significance of the increase in the Material Loan Minimum as being made pursuant to this Ordinance has been clearly and unambiguously drawn to the attention of Audit Committee members, and

- 4.1.3. All relevant background papers and other materials, including a copy of this Ordinance, or valid electronic link to a copy of this Ordinance, and a supporting paper from the Finance Committee, have been published to all Council members and Audit Committee members at least 6 Clear Days in advance of the Approval Meeting, and
- 4.1.4. All material Information is available at least 6 Clear Days before the Approval Meeting and no material new Information emerges closer than 6 Clear Days before the Approval Meeting, and
- 4.1.5. At least the President and three quarters of those other Council members present and entitled to vote confirm at the Approval Meeting that they have received all the published papers at least 5 Clear days in advance of the Approval Meeting and this confirmation is recorded in the minutes of the Approval Meeting.
- 4.1.6. The Approving Vote, including the grounds for the decision and a summary of the points made in discussion are recorded in the minutes of the Approval Meeting, and
- 4.1.7. All of the parts of the minutes of the Approval Meeting which are relevant to the increase in the Material Loan Minimum are approved within 26 Clear Days by an Approving Vote. Approval may be obtained at a meeting of Council or from each Council member separately in writing, including by email.
5. Notwithstanding the other provisions of this Ordinance, none of the donations derived from the Lancaster-Taylor Charitable Trust may be used as security, collateral or otherwise in connection with any borrowing by the College.
6. All votes referred to in this Ordinance shall take place as part of the reserved business of the Council.

GUIDANCE NOTES

1. 'Long Loans' refer to any loans or financial arrangements in which there is explicit or implied borrowing and which has a maximum term that exceeds 9 months. 'Short Loans' refers to any loans or financial arrangements in which there is explicit or implied borrowing and which has a maximum term that does not exceed 9 months. An overdraft facility may constitute an example of a Short Loan or Long Loan under the Ordinance depending on the life time of the facility.
2. There is a de-minimis exemption from this Ordinance for Short Loans which in aggregate and at all times remain less than the Material Loan Minimum as defined in the Ordinance.
3. Under the financial covenants to the College Loan Agreements, College must hold unrestricted assets at least twice its borrowings. The College must be aware that under the terms of the donation agreement the Lancaster Taylor Charitable Trust endowment is specifically excluded from being used for this purpose and can not be included in the assessment of unrestricted assets. Borrowings are defined below.
4. Following the Charity Commission guidance on *Internal Financial Controls for Charities (CC8)*, it is recommended that
 - (a) all loans are documented and that the amount of the loan and any charges and interest due are clearly set out;
 - (b) a record of all outstanding loans is kept noting the history of repayments of principal and interest for each loan and the outstanding balance;
 - (c) if a loan is subject to bank covenants, appropriate details of the terms of the bank covenants are logged on the register of assets; and
5. The Council Secretary is generally required to ensure that business is passed smoothly between Committees and between Committees and Council. The Finance Committee would discuss the case for a loan before being submitted to Council. In this context, the Council Secretary must ensure that both Finance Committee members and Council members are adequately informed in order to make a decision under the terms of the Ordinance. The Finance Committee meeting and the Council meeting are intended as a safeguard of scrutiny of the case for a loan and the Finance Committee and Council are therefore required to consider fully all factors which they should take into account.
6. It is not sufficient to record the decision alone in the minutes of the meetings. The minutes shall include all the material points made in the discussion.
7. In clause 1b) the "serious and immediate threat" justification for a loan should be very difficult to achieve. In particular it can not be used to avoid a reduction in the size of the College (such as fewer students), only to avoid a threat to the College's ability to deliver its core educational objectives.
8. In the event that material new Information, as set out in 2.1.3 or 2.4.4, becomes available less than the minimum time before the intended meeting then that meeting should be rescheduled to allow at least the minimum time for the new Information to be properly considered. The new Information shall be distributed as a relevant background paper under the relevant terms of (2.1.2 or 2.4.3).
9. Short Loans cannot be renewed without seeking a fresh approval under this Ordinance.
10. For the avoidance of doubt, overdraft facilities are covered by this Ordinance and unless the overdraft arrangement has a lifetime of less than 9 months an overdraft will count as a Long Loan.
11. Proportions are always rounded up. So two thirds of 2 is 2, of 3 is 2, of 4 is 3, of 5 is 4, of 6 is 4, etc. Similarly three quarters of 3 is 3, of 4 is 3, 5 is 4, 6 is 5, 7 is 6, 8 is 6, 9 is 7 etc.

12. Borrowings are defined as all Indebtedness in respect of money borrowed or raised including (without limitation):
- i. Indebtedness as a result of loans from banks, financing companies, individuals or any other source; and
 - ii. The capitalised value of obligations under any hire purchase agreements and finance leasing agreements (as determined in accordance with applicable accounting principles applicable to the University of Cambridge); and
 - iii. Indebtedness evidenced by bonds, debentures, loan stock, notes, commercial paper or similar instruments; and
 - iv. Indebtedness (including contingent liabilities) arising under or by virtue of (a) acceptance credits, (b) debt factoring, invoice or trade bill discounting or note purchase facilities (save to the extent that there is no right of recourse against the College or any subsidiary), (c) drawings under bill options provided for in loan facilities, (d) deferred payments for assets or services, (e) guarantees, indemnities or other assurances given by the College or any subsidiary against financial loss in respect of any Indebtedness specified in this definition of any legal person, (f) counter-indemnities in respect of letters of credit, bonds, guarantees, indemnities or other similar obligations issued or created in favour of third parties and (g) any other transaction having substantially the same effect as any of the foregoing, including (without limitation) those where liabilities are not shown as borrowings on the balance sheet of the College or any subsidiary by reason of being contingent, conditional or otherwise for any other reason, but excluding Indebtedness owing between the College and any of its subsidiaries or between such subsidiaries;
13. Indebtedness shall be construed so as to include any obligation for the payment or repayment of money, whether actual or contingent, present or future, secured or unsecured, and whether incurred as principle or surety or otherwise;