Selwyn College, Cambridge

ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2021

Registered Charity No. 1137517

Contents

Selwyn College
Grange Road, Cambridge CB3 9DQ
Charity Registration Number 1137517

The Head, Fellows and Scholars of Selwyn College is a corporate body comprising the Master, Fellows and Scholars, founded in 1882. In August 2010, the College became a registered charity with the Charities Commission, with its registered office at Grange Road, Cambridge CB3 9DQ.

Members of the Governing Body serving during the year

Mr Roger Mosey
Professor Patrick J N Baert
Dr Ronita Bardhan
Dr Daniel A Beauregard
Dr Christopher Briggs
Professor Uradyn E Bulag
Professor Nicholas J Butterfield
Dr Jack O Button
Dr Bryan Cameron
Professor R Stewart Cant
Dr Filipe Carreira da Silva
Professor Daping Chu
Professor William J Clegg
Professor Philip J Connell
Professor John S Dennis
Dr Lynn V Dicks
Professor Katharine J Ellis
Dr Stuart M Eves
Professor Leonardo Felli
Dr Elena Y Filimonova
Mrs Sarah Fraser Butlin
Dr Jessica Gardner
Dr Fabian Grabenhorst
Dr Marta Halina
Dr Emily Hancox
Dr Nicole M Hartwell
Dr Joerg Haustein
Dr Alan D Howard
Dr Gavin E Jarvis
Dr James H Keeler
Dr Myun Gun Kim
Mr Oleg Kitov
Professor Shaun T Larcom
Dr Robert Lee
Dr Anna H Lippert
Ms Sarah E A MacDonald
Dr Katarzyna Macieszczak
Mr James M R Matheson
Dr Kirsty McDougall
Professor Ian A McFarland
Dr Sarah Meer
Dr James Moultrie
Mr Michael G Nicholson
Professor Nikolaos Nikiforakis
Dr Mathias Nowak
Dr Diarmuid R O'Donnell
Dr Janet A O'Sullivan
Dr Helena C Phillips-Robins
Mr Martin Pierce
Dr Amer A Rana
Dr Charlotte Reinbold
Professor Stewart O Sage
Dr Michael J Sewell
Revd Canon Hugh D Shilson-Thomas
Dr David L Smith
Dr Thomas D Smith
Professor Grant D Stewart
Professor Charlotte Summers
Professor Robert C Tasker
Dr Rupert J E Thompson
Dr Chander K Velu
Dr Deepak Venkateshvaran
Dr Dacia Viejo Rose
Professor Heather M Webb
Dr Lauren Wilcox
Dr Charlotte Woodford
Dr Yu Ye
Dr Victoria Young

JUNIOR MEMBERS

Isabel Roberts (JCR President)
Henry Campos (JCR Treasurer)
Mariana Ramos de Lima (MCR President)
Mehmet Dogar (MCR Treasurer)

Reference and Administration

Senior Officers:

Head of House:	Mr Roger Mosey
Vice Master:	Dr Janet O'Sullivan
Bursar:	Mr Martin Pierce
Senior Tutor:	Dr Michael J Sewell

Principal advisers:

Auditors:
Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers:
Barclays Bank PLC
P O Box 885
Mortlock House
Station Road
Histon
Cambridge
CB24 9DE

Investment Managers:
J M Finn & Co
25 Copthall Avenue
London
EC2R 7AH

Legal Advisers:
HCR Hewitsons
Shakespeare House
42 Newmarket Road
Cambridge
CB5 5SP

Operating and Financial Review for the Year ended 30 June 2021

1. Introduction

Selwyn College (the "College") is pleased to present its operating and financial review, together with the financial statements for the year ended 30 June 2021.

The year July 2020 to June 2021 was the second to be dominated financially and operationally by the Covid-19 pandemic. Most notable financially was the almost complete loss of conference & events income, compared with the previous year when it had amounted to almost £1.3m. The main conference season is in the summer months of July to September, which in 2019-20 predated the pandemic, whereas in 2020 the outbreak of Covid in March led to the cancellation of all bookings for the summer months.

Also, whilst nearly all students were back in residence in Michaelmas Term 2020, by January the second national lockdown precluded a widespread return for the Lent Term. Although student numbers then increased gradually, the College was not (just about) full again until the second half of the Easter term. Although net income for student accommodation and catering made up a small amount of the ground lost in 2019-20, there was still a serious reduction in income compared with a year with full residence.

Nevertheless, the College Council and the staff of the College continued to negotiate the twists and turns of the crisis safely, speedily and innovatively to provide as much normality as was possible in maintaining services compatible with national and local restrictions.

It is a testament to the operational and financial resilience of the College that these accounts ultimately show an operating surplus when viewed on a cash basis, which was not expected to be achievable at the time of the original budget.

2. Governance of the College

(a) Statutes, Governing Body and Council

The College is a corporation established by Royal Charter of 13 September 1882. The arrangements for governance of the College are set out in its Statutes. The Master is Head of House, has statutory powers of governance and presides over the Governing Body and the Council. The Senior Tutor has overall responsibility for the admission, education and welfare of undergraduates and graduates and the Bursar has overall responsibility for the finances, estate and administration of the College. The members of the Governing Body serving during the year to 30 June 2021 are shown at the beginning of this report. With the exception of the junior members, Governing Body members serve until the earlier of retirement or the end of the academic year in which they reach 67 years of age, provided that they remain Fellows of the College.

The Governing Body, which meets three times a year, delegates day-to-day responsibility for the running of the College to the College Council and its Committees. Representatives of the undergraduate and postgraduate student bodies are members of the Governing Body and Council, and most of the Committees. The Council typically meets eleven times a year – three times per term and twice during the summer vacation. External members attend meetings of the Investment Committee, the Development Committee and the Remuneration Committee. Members of the Governing Body are required to act with integrity, in the College's interests without regard to their own private interests, and to manage the affairs of the College prudently, balancing long-term and short-term considerations. The College has a policy for managing conflicts of interest, maintaining a register of interests and seeking declarations of potential conflict at the start of any meeting.

(b) Charitable Status

Acting on the powers in the Charities Act 2006, the Secretary of State removed the exempt status of the Colleges of Oxford and Cambridge on 1 June 2010. The College was then registered with the Charity Commission on 12 August 2010 (Registered Number: 1137517). The Governing Body is the trustee body for the charity and all members of the Governing Body are trustees. In line with Charity Commission recommended best practice, the College has appointed a majority of independent members to its Remuneration Committee and has appointed a special committee of disinterested persons to advise it on any matters relating to changes in the Universities Superannuation Scheme.

(c) Financial Reporting

The Governing Body has responsibility for ensuring that there is an effective system of internal controls and that financial records are accurately maintained. It is also responsible for safeguarding the assets of the College and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The College is required by statute to present audited financial statements for each financial year. The Cambridge colleges are classed as a special case for purposes of accounting and continue to publish accounts in the form stipulated by Statute G III 2(i) of the University, *The Recommended Cambridge Colleges Accounts ("RCCA"),* which is based on Financial Reporting Standards and is compliant with the *Statement of Recommended Practice: Accounting for Further and Higher Education.* The Intercollegiate Committee for College Accounts advises on interpretation. The College is a charity within the meaning of the Taxes Act 1988, s 506 (1).

(d) Relationship with the University

The College is a legally autonomous body; however, it exists within the federal structure of the University. Matters of concern to all colleges and the University are discussed and acted on through a system of University-wide committees, such as the Colleges' Committee, of which all Heads of House are members, the Senior Tutors' Committee, and the Bursars' Committee. Representatives of the Senior Tutors and Bursars sit on each other's committees and on the Colleges Committee. These committees work through the building of consensus as their decisions are not constitutionally binding. The Cambridge colleges have established an Office for Intercollegiate Services to support the activities of the principal intercollegiate committees.

3. Aims, Objectives and Achievements of the College

(a) Aims, Objectives and Public Benefit

Founded in 1882 in memory of George Augustus Selwyn, Bishop successively of New Zealand and of Lichfield, as a place of education, religion, learning and research, the College is an autonomous, self-governing community of scholars and one of 31 Colleges within the University of Cambridge. The community consists of the Master, 63 fellows and 682 junior members, of whom 388 are undergraduates and 294 are graduate students.

The aims and objectives of the College are directed to delivering public benefit, in particular:

- The College aims to promote educational excellence at both undergraduate and postgraduate level and enable beneficiaries to fulfil their potential as part of both the College and the University of Cambridge;
- The College particularly aims to widen participation, increase diversity and facilitate access for those who would benefit from a Cambridge University education, but might face financial or other barriers to doing so without further support;
- The College aims to provide an environment conducive to maximising educational potential, through facilities including high quality accommodation, catering and library services on site;
- The College supports research which benefits the wider population of the UK and globally through innovation and new understanding that will improve prosperity, quality of life and environmental sustainability, amongst other benefits.

In undertaking their responsibilities as trustees of the charity, the members of the Governing Body endeavour to pay due regard to the Charity Commission guidance on public benefit by ensuring that their decisions support the College's aims and objectives.

The sections that follow set out how the College delivers these aims and objectives, as well as its achievements in respect of each, in more detail.

(b) Teaching

The College provides, in conjunction with the University of Cambridge, a research informed education for undergraduate and graduate students which is recognised as being of the highest international standard. The University came equal third overall in the 2022 (but published in 2021) QS World University Rankings and fourth overall in the 2021-22 Center for World University Rankings. In both it is one of the top three ranked universities outside the United States and in the latter the top university outside the USA.

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 supervision, as well as pastoral, administrative and academic support through its tutorial and other student support systems. It also provides 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.

(c) Research

The College advances research through the support that it provides to the doctoral students who are members of the MCR. It also does so through the provision of 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 an academic post. During the course of 2020-21, the College added to the number of its Research Fellows through the creation of the National Army Museum Fellowship in Indian Military History. It also supports the work of Postdoctoral researchers through the Trevelyan Research Associates scheme which is endorsed and supported by the University of Cambridge's Postdoc Academy.

In addition, the College supports research work pursued by its other Fellows through the availability of sabbatical leave for research, the promotion of interaction across disciplines, the provision of facilities and grants for national and international conferences, research trips and research materials. In non-Covid times it encourages visits from outstanding academics from abroad, including the appointment of Visiting Fellows and Bye-Fellows and the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

(d) Academic excellence

Following a record number of undergraduate applications in 2019-20, the figure fell only slightly to 734 in 2020-21, still fully 100 more than the next highest total Selwyn has ever received. The size of the field reflects the effort that the College has made in Widening Participation and Admissions activities in recent years. Whilst EU applications have, predictably, fallen, the growth in non-EU overseas applications remains healthy.

Postgraduate admissions are also in a very healthy state. The investment in Postgraduate Studentships is paying off handsomely and we are delighted that the number of matched funded MPhil and doctoral studentships is helping us to become more competitive in attracting the very best applicants to Selwyn as well as retaining high flyers.

Academic performance remains strong, although disruptions to the examinations in the summer of 2020 caused by the pandemic prevented the usual benchmarking exercise against University averages. In 2021 this remains problematic as not all years of all Triposes took classed examinations. The absence of two large first year subjects (Engineering and Natural Sciences) and of second-year Engineering from the Class lists therefore makes comparisons inexact. However, in classed examinations, 40.3% of Selwyn's candidates obtained First Class results against a University average of 36.1%; 88.3% obtained Good Honours (upper second class or better) as against 88%. The College ranked sixth of 30 Colleges in terms of proportions achieving First Class results.

(e) Access and Widening Participation

The College aims to attract the best applicants from the widest range of schools and colleges. The colleges and the University engage in substantial outreach activities to encourage all academically qualified students to apply for admission to Cambridge, whatever their backgrounds or financial circumstances. The University has been committed under an Access and Participation Plan with the Office for Students ("OfS") to:

- Increasing the proportion of UK resident students admitted from UK state sector schools and colleges to 64.6% by 2021;
- Achieving a proportion of UK students from the Participation Of Local Area ("POLAR") classification quintile 1 of 5.2%, and of quintiles 1 and 2 combined of 13.3%;
- Achieving a ratio of POLAR quintile 5 to POLAR quintile 1 of 10.2:1; and
- Increasing UK resident students from regional Indices of Multiple Deprivation ("IMD") to 17.7%.

Selwyn has met or exceeded all but one of these targets, with:

- 80.2% of students accepted for entry in October 2021 from the maintained sector;
- 5.2% from POLAR quintile 1 and a POLAR quintile 1+2 figure of 19.0%;
- A ratio of 10.7:1 POLAR quintile 5 to 1 POLAR quintile 1; and
- An IMD figure of 16.4 %.

The College participates enthusiastically in widening participation and aspiration-raising programmes in conjunction with the University. It also employs its own full-time Schools Liaison Officer to reinforce these outreach efforts. Since 2000, by agreement with the University and the other colleges, Selwyn has targeted state-maintained 11-16 and 11-18 schools, Further Education and Sixth Form Colleges in West Yorkshire and East Berkshire. Over the 2020-21 year, the College spent £141k on access events, a figure considerably lower than we would have wished, but a function of restrictions imposed by the pandemic. However, online activity was increased accordingly, which came at a lower cost.

(f) Financial and other support

Once admitted, students have access to several sources of financial aid. In 2020-21, a total of £348k was received by Selwyn students through the Cambridge Bursary Scheme, which is operated collectively with the University and other colleges (up 14% compared with £305k in 2019-20 and up 26% compared with £276k in 2018-19). Under this Scheme, in 2020-21 students whose household income was below £25,000 received a maximum grant of £3,500 per year in addition to any government loans. Those with incomes of up to £42,620 received amounts tapering to £300. The College also participated in a pilot top-up bursary scheme, alongside several other colleges, which is designed to provide further support to students from lower household incomes but also those from incomes up to circa £62k. The College is delighted that the Cambridge Bursary Scheme is being enhanced for new students starting courses from October 2021, including the extension of bursaries on a tapered basis up to circa £62k household income as part of the standard scheme and an additional £1,000 educational premium bursary for students who received free school meals whilst at secondary school. The College has been a strong supporter of the enhanced scheme throughout its development.

Around a quarter of all Selwyn undergraduates received some form of Bursary support over the year. In addition, the College paid out £296k (up 36% compared with £218k in 2019-20) in awards and scholarships (to support the purchase of books and equipment, attendance at conferences, and travel), studentships, and College-funded bursaries in cases of financial hardship.

Covid-19 brought new challenges for both the Tutorial and Direction of Studies activities that the College provides. Colleagues in the Tutorial Office and the Fellowship alike rose to these challenges to ensure that our students remained well supported. Students continued to receive mental health support through the Dawson Fund, and we were grateful to a number of donors who provided generous gifts specifically to help with equipment costs for remote study or other Covid-related hardship.

The College's good fortune in having received a significant gift that has allowed us greatly to increase the presence of the Nurse year-round since the start of 2020 has also been a very significant benefit in the context of the pandemic.

(g) Facilities

The College remains committed to academic excellence and has invested in state-of-the-art teaching and student facilities. A highlight of the 2020-21 year was the opening of the new £13m Bartlam Library and Quarry Whitehouse Auditorium in the Easter Term 2021. This new building also marked the completion of Ann's Court which has been in development since 2005 and has been made possible through the exceptional generosity of alumnus Dr Christopher Dobson and his late wife, Ann, after whom the court is named.

As a result of the opening of the new Bartlam Library, investment in providing further facilities for the College in the old library building is planned for 2021-22, with completion by the end of Lent Term 2022.

The College is also planning investment in enhanced student accommodation in 2021-22, with an emphasis on low-carbon development, following the purchase of a new student hostel at 1 Selwyn Gardens in April 2021.

Non-academic activities remain important too and details of the College's many sporting, musical and cultural successes are recorded in the College Calendar, the latest edition of which can be viewed at https://www.selwynalumni.com/publications.

4. Financial Report – INCOME AND EXPENDITURE

(a) Overall Position

The College's income and expenditure, as set out in the Statement of Comprehensive Income & Expenditure (SOCI), falls into four broad categories:

1. Wholly **unrestricted** income and expenditure.
2. Income and expenditure which are **restricted** to certain purposes, specified by the provider of the original funds.
3. Income and expenditure related to the **endowment**, where only the income arising from the principal sum is expendable, not the principal itself – but the use of the income is unrestricted
4. Income and expenditure related to the **endowment**, where only the income arising from the principal sum is expendable, not the principal itself – and where the use of the income is restricted to specified purposes.

In the SOCI, categories 3 and 4 are combined under a single heading of 'Endowment'.

This section of the report focuses principally on the first category – wholly unrestricted.

(i) Comprehensive Surplus/Deficit

In 2020-21, total unrestricted income and expenditure resulted in a **comprehensive surplus of £0.82m** (compared with a deficit of £1.67m in 2019-20) – an improvement of £2.49m. These figures are those shown as the 'total comprehensive income for the year' in the 'unrestricted' columns of the SOCI.

It should be noted however that this improvement was entirely driven by two non-operating income and expenditure items, which together improved by a net £3.09m – i.e. £0.60m more than the total overall improvement vs. 2019-20:

- An actuarial improvement in pension fund provisions of £1.48m (compared with a deterioration in 2019-20 of £0.97m – an improvement of £2.45m)
- A gain in the value of the unrestricted part of investment portfolio of £0.89m (compared with a gain of £0.25m in 2019-20 – an improvement of £0.64m)

(ii) Operating Surplus/Deficit

The operating surplus/deficit refers to income and expenditure relating to the day-to-day operations of the College, excluding one-off accounting items.

Unrestricted operating income for the year totalled **£7.79m**, a reduction of 7% on £8.41m in 2019-20. Unrestricted operating expenditure meanwhile totalled **£9.33m**, virtually unchanged vs. £9.34m in 2019-20. As a result, there was an **operating deficit of £1.54m** in 2020-21, compared with a deficit of £0.94m in 2019-20 – a deterioration of £0.60m.

The net deterioration in the operating deficit in 2020-21 was caused entirely by the impact of Covid. The principal adverse movements in operating income and expenditure compared with 2019-20 totalled £1.38m and were:

- Accommodation, Catering & Conferences – net deterioration £1.07m vs. 2019-20.
- Investment income – a reduction of £0.11m in unrestricted income vs. 2019-20, though this was better than originally expected in the budget.
- Other expenditure (variations in charges in respect of pension costs under FRS102) – net cost £74k in 2020-21, vs. 'negative cost' of £126k in 2019-20. This is therefore a net deterioration of £0.20m.

The first two of the movements set out above were entirely due to the pandemic.

These adverse movements were partially offset by some favourable movements totalling £0.78m:

- Education – an extra £0.08m of income (due principally to a larger than expected first year undergraduate intake) and a reduction of £0.20m in expenditure – a net favourable movement of £0.28m.
- Job Retention Scheme – government grants £0.09m higher than 2019-20.
- Donations – unrestricted donations increased by £0.41m compared with 2019-20.

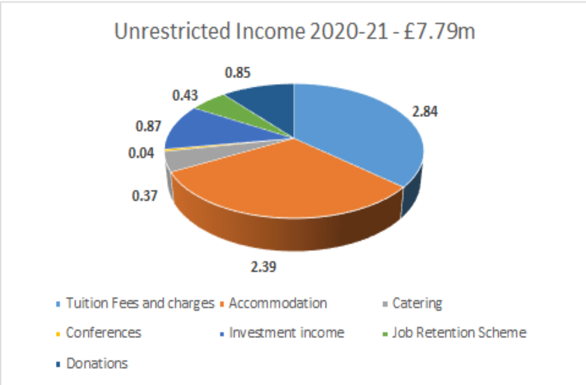
(iii) Cash Surplus/Deficit

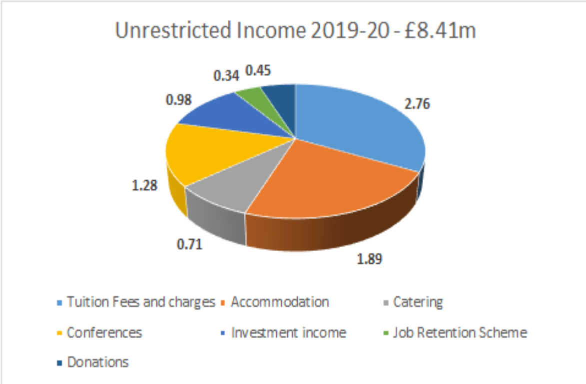
Incorporated within operating expenditure is depreciation, a non-cash item, amounting to £1.98m in 2020-21 (£1.96m in 2019-20). In order to calculate the cash surplus or deficit, depreciation therefore needs to be excluded. In 2020-21 the operating deficit of £1.54m was more than offset by £1.98m of depreciation, leaving a **cash surplus of £0.44m** (2019-20 £1.02m). This is a significantly better result than forecast in the original budget for the year, which envisaged a cash deficit of £0.47m.

Nevertheless, a key priority for the College finances going forward will be to restore the cash surplus to pre-pandemic levels. However, due to the continuing impact of the pandemic on the College already seen in the first months of the 2021-22 financial year, this can only be anticipated in 2022-23 at the earliest and relies on the financial effects of Covid being largely in the past by then.

(b) Income in more detail

The College's activities are funded from academic fees and charges (including tuition fees), charges for student accommodation and catering, income from conferences, investment income (dividends, interest etc.), and income from donations and bequests. Total unrestricted income in 2020-21 amounted to **£7.79m**, a reduction of 7% on the 2019-20 figure of £8.41m, driven almost exclusively by one-off factors relating to the pandemic.





(i) Academic Fees and Charges

Unrestricted income from fees and charges rose by 3% to £2.8m, driven largely by an unexpectedly large first year undergraduate cohort, which included both higher UK and overseas student numbers. Overall expenditure (unrestricted and restricted) on education however was roughly unchanged vs. 2019-20, leaving the education deficit reduced from £1.28m last year to £1.17m in 2020-21.

Tuition Fees for Home and (for the last time) EU undergraduates were charged at the maximum permitted rate of £9,250 for students matriculating in 2020-21. Tuition fees for students are paid either by the students themselves or on behalf of the students through the Student Loans Company. The colleges collect these fees and, under a negotiated fee agreement, pass half over to the University. Both the colleges and the University pay equal shares towards the Cambridge Bursary Scheme from the tuition fee income.

In 2020-21, fees from home and EU undergraduates amounted to £1.70m, a little up on £1.65m the previous year. A further £0.51m was received from privately funded undergraduates, up 12% on 2019-20, and £0.63m from postgraduate students, down slightly from £0.65m in 2020-21. The colleges' share of the undergraduate tuition fees is substantially below the actual cost of education, which was estimated by the Cambridge colleges in 2018 as c. £11,000 per annum for an undergraduate (with a further £10,300 of University expenditure for a total cost of education over £21,000).

From the academic year 2021-22, EU students will no longer qualify as 'Home' students for tuition fees and will need to pay the private undergraduate fees. We know from the admissions round in late 2020 for 2021 entry that this has very significantly reduced the number of applicants from the EU.

(ii) Student Accommodation and Catering

Student accommodation and catering income were again significantly affected by Covid-driven disruption in 2020-21, particularly as a result of the national lockdown that kept most students away from Cambridge for much of Lent Term. The majority only returned at the start of, or during, Easter Term. Although income from student accommodation and catering was up by £0.16m vs. 2019-20, this was only a partial recovery from the drop of £0.86m experienced last year.

When in residence, nearly all undergraduate members live in College accommodation as do a significant number of postgraduate students. The majority of the College's c.500 rooms are located on or adjacent to the main site on Grange Road and, following the £13.2m refurbishment of Cripps Court in 2012-14, two-thirds now have ensuite facilities. The College provides a wide range of student accommodation with varying charges depending on the facilities provided. A typical room rent in 2020-21 was around £148 per week for a standard room and £180 for an ensuite room. These rents are not directly comparable with previous years as in 2020-21 the College simplified its rents and eliminated previous additional charges, such as the Facilities charge. Taking this into account, rents remain substantially below the levels charged by private landlords in Cambridge and barely cover the economic cost to the College of providing the room. However, the College has nevertheless kept rent increases in recent years as low as possible and in line with inflation. In 2020-21 the rent increase was the lowest in 20 years at 2%.

The College also offers a variety of catering services to members: snacks, brunches, cafeteria self-service meals and formal hall dinners. The College is recognised for the high quality of its offering and continues to hold a 5-star environmental health rating, the highest awarded by Cambridge City Council. Until the pandemic struck, the College was enjoying increased revenues from its recently refurbished servery and from its new café-bar, which opened in May 2019. As a result of the pandemic however, income for the year fell to £370k in 2020-21, although this figure is not directly comparable with previous years as the Facilities charge income was previously allocated to Catering, but now effectively goes to Accommodation, having been subsumed into student rents.

(iii) Conferences and Events

The College has a long-term strategy of building its conference income to help offset losses on the education account, whilst at the same time ensuring that it does not become over-dependent on this source of income. The pandemic has shown how volatile conference income can be.

2019-20 saw record income from Conferences and Events, following a particularly strong summer in 2019. By the time last year's accounts were finalised it was already clear that there had been no business during summer 2020 and that this would inevitably affect the financial results for 2020-21. This has indeed turned out to be the case. Income was reduced to just £35k for the year, compared with £1.28m in 2019-20. This was despite the best efforts of the Conference and Events staff, who have endeavoured to maintain relationships with clients. This has brought in some income in summer 2021, although well below usual levels, and this will again have a material effect on the overall financial results for 2021-22.

(iv) Investment Income

The pandemic's effect on financial markets extended to an initial move by companies to curtail dividends, and as a result a significant impact was expected on the College's investment income in this financial year.

In the event the result was not as adverse as expected, with a fall of just 7% to £1.53m in 2020-21 from £1.64m in 2019-20 (these figures include both unrestricted and restricted income from the endowment). Nevertheless, investment income is an important part of the funding of the College's charitable objectives and the pandemic has served as a reminder that this income line is susceptible to financial shocks.

Prior to the pandemic, the College had already taken the decision to move to a 'total return' approach, starting from the beginning of the 2021-22 financial year. 2020-21 was therefore the last year in which the 'investment income' line represents the actual income received. Total return involves the agreement of a spending policy, whereby a certain percentage of the value of the portfolio is allowed for operational expenditure, funded by actual investment income received plus a proportion of the expected growth in the capital. The College has taken a prudent approach to the spending rule, starting in 2021-22 with 3% of the average value of the portfolio over five years, lagged by one year.

(v) Donations and bequests

The generosity of the College's alumni and supporters continues to play an important role in securing the scope, scale and quality of what the College is able to offer, exemplified in the funding of the new Bartlam Library and Quarry Whitehouse Auditorium entirely through donations. As well as capital projects such as this, the College is also grateful for donations received for student support, which allows both direct financial grants to students and also indirect support such as the Dawson fund for mental health mentioned previously. In 2020-21, unrestricted donations (excluding new endowments) amounted to £0.85m (up by £0.40m vs. 2019-20), partly as the result of a generous bequest received during the year, while further donations with restricted purposes of £0.26m (up by £60k vs. 2019-20) were also received. In addition, the College received £0.64m in new endowments, up from £0.59m in 2019-20. Capital project donations were reduced to £0.25m (from £1.85m last year), following the completion of the fundraising campaign for the Bartlam Library and Quarry Whitehouse Auditorium.

A note on Fundraising

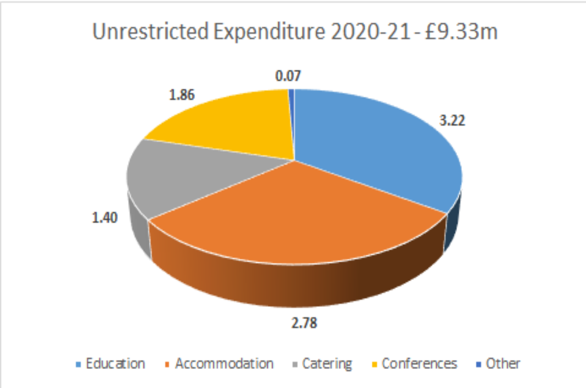
The College is registered with the Fundraising Regulator and the College subscribes to the Fundraising Regulator's code of practice. All fundraising activity meets current standards and is reviewed by the Development Committee, which is accountable to the College Council. The Council reviews the College's donations policy every three years, most recently in 2020. The College does not use third parties to assist in its fundraising, while students who participate in fundraising activity for the College receive formal training beforehand. The College received no complaints concerning fundraising activity in 2020-21.

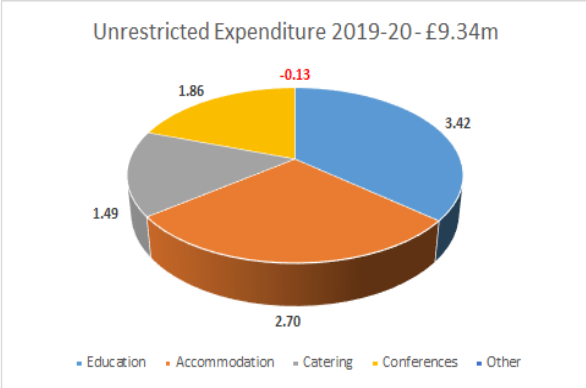
(vi) Job Retention Scheme grant

During multiple and significant periods of the pandemic throughout the financial year, when lockdown significantly reduced the College operations, a sizeable proportion of the College's non-academic staff were placed at one time or another on 'furlough leave' under the government's Job Retention Scheme. In the period to 30 June 2021, this resulted in grants of £0.43m, a little more than was seen in the shorter period of the last four months of the 2019-20 financial year when the scheme was initiated.

(c) Expenditure in more detail

The College's expenditure relates almost entirely to the costs of providing educational, accommodation and catering services for its residents in both term time and the vacations. In 2020-21, total unrestricted expenditure amounted to £9.33m, which was virtually unchanged compared with £9.34m in 2019-20.





(i) Education

Unrestricted expenditure relating to education fell in 2020-21 to £3.22m, from £3.42m in 2019-20. This was principally accounted for by lower spend on access and widening participation activity due to travel restrictions, which was both an unexpected and an undesirable effect of the pandemic. However, online activity was stepped up, and this came at a lower cost.

Looking at Education expenditure as a whole (including unrestricted and restricted), expenditure was very close to the level seen in 2019-20. This reflects significantly increased spending on student financial support (which is in the restricted category). In 2020-21, spending on student support was £644k (£348k on the Cambridge Bursary Scheme and £296k on other support), compared with £523k in 2019-20 (£305k on the Cambridge Bursary Scheme and £218k on other support).

We are sanguine about the existence of a deficit on education, since this is a core purpose and charitable objective of the College. Nevertheless, the education deficit across unrestricted and restricted income and expenditure reduced to £1.17m in 2020-21 (from £1.28m in 2019-20).

(ii) Accommodation, Catering and Conferences

The cost of maintaining accommodation is allocated to the student accommodation budget in term time and to conferences & events in the vacations, when the College aims to occupy its rooms with conference guests. However, whilst income from conferences fell dramatically and whilst income from student rents remained significantly below budget due to lengthy periods of Covid lockdown during 2020-21, the costs of maintaining accommodation through the year did not change materially at £4.01m (£3.90m in 2019-20).

Catering costs fell by 6% to £2.03m (from £2.16m in 2019-20), which reflected lower volumes through the year than in 2019-20, again due to Covid.

It should be noted that in the cases of both accommodation and catering, a significant proportion of these costs relate to staff, however a large number of the relevant staff were 'furloughed' under the Job Retention Scheme at periods of low activity in the College. The employment costs of furloughed staff continue to appear in full in the expenditure lines, whilst the furlough grants to help pay them are recorded separately under income. In effect however, furlough grants partially offset these costs.

(iii) Staff Costs and Pensions

Staff costs are contained within the overall Education, Accommodation, Catering and Conferences expenditure lines, but are detailed in Note 8 of the Accounts. Staff costs amounted to £5.18m in total (including national insurance and pensions), vs. £4.97m in 2019-20, an increase of 4%. This was driven by increased investment in teaching and research fellows (there was an increase of 3 in average academic staff numbers). During 2020-21, the College employed an average of 61 academic Fellows and 107 full-time equivalent staff, compared with 58 academic Fellows and 106 full-time equivalent staff the previous year.

Remuneration paid to Fellows, who are also trustees of the charity, related solely to their capacity as officers of the College or in respect of teaching. The trustees receive no remuneration in their role as trustees of the charity.

(iv) Colleges Fund

The Colleges Fund, which is funded through an intercollegiate taxation system, makes grants to colleges with insufficient endowments. Grants made to Selwyn between 1998 and 2016 exceeded £3.1m. However, the College is now considered to have made sufficient financial progress that it longer qualifies for such assistance and has begun making modest contributions to the Fund. This amounted to £9k in 2020-21 (unchanged vs. 2019-20).

5. Financial Report – BALANCE SHEET

(a) Overall Position

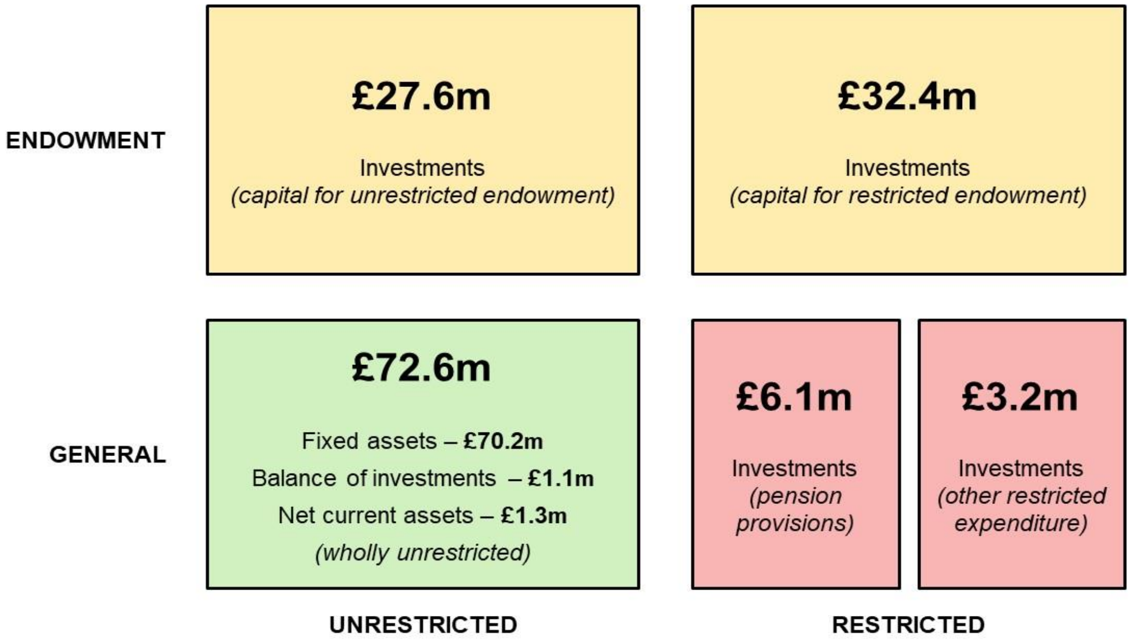
The total net assets of the College increased in 2020-21 by £10.4m to **£135.8m** (2019-20 £125.4m), a 7.7% increase.

The balance sheet is made up of £70.2m in fixed assets, £70.4m in investments and £1.3m of net current assets as at 30 June 2021, giving a total of £141.9m. This is offset by pension fund provisions of £6.1m, bringing total net assets to £135.8m.

As with income & expenditure, the College's assets are divided into four categories:

1. Wholly **unrestricted** assets, i.e. they may be deployed for any purpose.
2. Assets for which the use is **restricted** to certain purposes, specified by the provider of the original capital.
3. **Endowment** assets where the use of the income is unrestricted.
4. **Endowment** assets where the use of the income is restricted to specified purposes.

As at 30 June 2021, the College's assets, in terms of these categories, were as follows:



Although £72.6m of assets are in unrestricted, in practice the majority of these – £70.2m – are represented by relatively illiquid fixed assets. £64.6m of this is in land and buildings, which at Selwyn are used to house students rather than as investments, and so would have a significant operational impact on the College if sold. This means that wholly unrestricted 'free reserves' amounted to £2.4m at 30 June 2021 (made up of £1.1m in wholly unrestricted investments and £1.3m net current assets).

The other £69.3m of assets are restricted in their use in some way. This is made up of:

- £32.4m of endowment assets, where only the income generated by the assets may be spent and where the use of the income is also restricted to certain purposes.
- £26.7m of endowment assets, where again only the income generated by the assets may be spent, but where the use of such income is unrestricted.
- £3.2m of assets where the principal may be spent, but where the use is restricted to certain purposes.
- £6.1m of assets which are matched against the pension fund provisions.

These assets are all held as part of the investment portfolio (see below), rather than by way of fixed or other assets. However, being restricted assets, although they are liquid they cannot be freely sold, or spent, or both.

The College therefore has limited reserves that are completely free. However, given that at the balance sheet date, the College had no debt, borrowing against the assets of the

College could be entertained without involving excessive gearing. These issues are considered within the College's Reserves Policy (see below).

(b) Fixed Assets – Buildings, Estates and Equipment

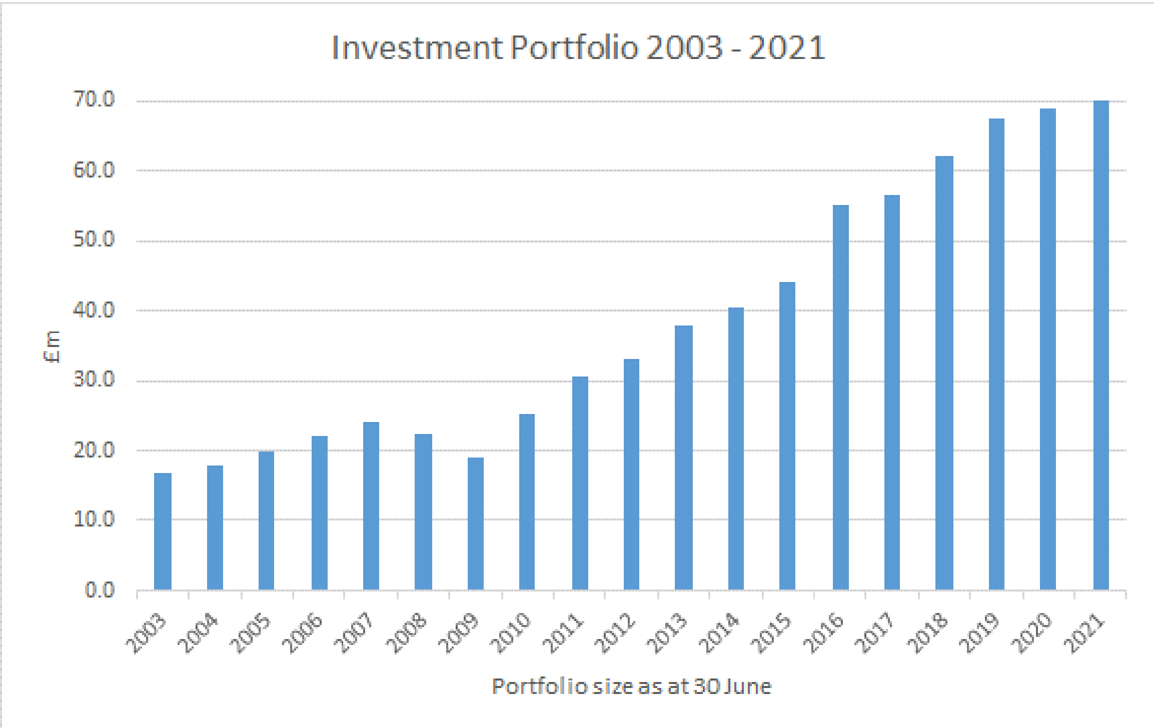
The year 2020-21 saw additions to the College's land and buildings of £7.2m at cost. This was divided between the purchase of a new property, 1 Selwyn Gardens, as future postgraduate student accommodation, for £2.4m, with the remainder representing the cost of completing the new Bartlam Library and Quarry Whitehouse Auditorium. As a result, even after depreciation, the value of land and buildings in the balance sheet increased by 10% to £64.6m.

Maintaining its listed and historic buildings is one of the College's major costs, with an annual depreciation charge of £1.98m (£1.96m in 2019-20) set aside to cover their upkeep and renewal or replacement. In addition, further investment was made of £1.5m at cost (£0.64m in 2019-20) in fixtures, fittings and equipment, a significant proportion of which is accounted for by the fit-out of the new Bartlam Library and Quarry Whitehouse Auditorium.

(c) Investments

2020-21 was a strong year for the performance of the College's investment portfolio, although this was largely driven by the recovery of global markets from the initial Covid downturn. The portfolio amounted to **£70.4m** at 30 June 2021, compared to £69.0m the previous year, an increase of £1.4m. However, the underlying increase is much higher, at £9.3m (after fees of £0.1m), once withdrawals from the portfolio of £7.9m are taken into account. These withdrawals related to the purchase of 1 Selwyn Gardens and payment of costs to complete the Library and Auditorium.

The growth in the investment portfolio over the last 20 years is shown the graph below.



The total return on the main portfolio (excluding CUEF investments) therefore amounted to 15.9% over the 12 months to 30 June 2021 (compared with 7.4%, itself a strong performance, the previous year). This represented a slight underperformance relative to the portfolio's principal benchmark ARC Charities Steady Growth Index, which returned 16.6%, although this is accounted for partly by the proportion of the College's portfolio in North America, where some currency losses were experienced, and partly by the benchmark index making up for underperformance the previous year.

The College's total return for the last three, five and ten years respectively has been 10.3%, 8.2% and 8.3% annualised, compared with 6%, 7.3% and 7.8% respectively for the ARC Charities Steady Growth Index.

The College's investments are overseen and directed by the Investment Committee, which has benefited from the expertise of three independent members drawn from the investment industry. The College's investment strategy has adopted a medium risk approach which delivers steady growth in the value of investments over time and is well diversified in terms of holdings, sectors and geography. Recently this has been underpinned by a move away from individual securities towards investment in funds to manage risk, including a holding in CUEF, the University-managed fund.

The College has taken an active approach to ethical investments, having previously divested all direct fossil fuel, tobacco and armaments holdings. This focus on responsible investment was reinforced in the College's two-year investment strategy and policy, agreed in February 2021, which applied increasingly strict criteria for indirect investments in funds with respect to fossil fuels.

From July 2021, the College has moved to a total return approach to investment income, which will give the Investment Committee more freedom in investing in stocks for growth and not just for income.

(d) Pension Provisions

Under FRS102 the College is required to disclose all its pension liabilities on the balance sheet. As set out in Note 16, the total liability has this year reduced by £1.10m to £6.09m.

The majority of the improvement arises from a £1.48m actuarial adjustment of the liability in respect of members of the Cambridge Colleges Federated Pension Scheme (CCFPS), although the improvement with respect to CCFPS is reduced to £1.06m net as a result of other adjustments. The accounts also show a small improvement (£43k) in the provision related to the Universities Superannuation Scheme (USS), however attention should be drawn to a post-balance sheet non-adjusting event in respect of USS which is described in note 24 of these accounts. This is likely to have a material effect on the 2021-22 accounts.

(e) Reserves Policy

The College Council has approved a Reserves Policy in order to assess the stress tests the College might be expected to meet in an unexpected contingency situation. The Covid pandemic has reminded us that such scenarios are not necessarily theoretical only.

The College's policy requires there to be accessible reserves which would allow it to cover 80% of operational expenditure (excluding depreciation) for a period of three years. This would in fact be a more serious financial scenario than even Covid has presented. Taking the last full pre-pandemic financial year (2018-19) and adjusting for inflation, this would imply an accessible reserves requirement of £18.4m. Ideally, this would be in the form of free reserves, but other options include loans secured against land and property and/or an internal accounting 'loan' against the unrestricted endowment. Taken together these would provide reserve coverage of 5x the requirement. Over the medium-to-long term the policy envisages increasing free reserves, but trustees will need to have due regard to ensuring that this does not compromise the College's charitable objectives. The policy will be reviewed annually.

(f) Going Concern

The College is obliged to consider whether it is in a position to operate for at least 12 months following the signing of its accounts, in order to establish that it can be audited on a going concern basis. In common with other Cambridge University Colleges, for a second year following the outbreak of the Covid pandemic, Selwyn participated in detailed financial modelling based on a number of scenarios and assumptions to understand the range of impacts on its future finances. Selwyn has adopted a cautious approach to its finances over many years, has increased its reserves over time and limited its exposure to debt, which leaves it able to withstand the short term impact of an event such as the pandemic for at least 12 months, and in practice, for longer. The auditors have commented separately on the College's going concern status.

6. Risks and uncertainties

The College maintains a risk register, which is sub-divided into red, amber, yellow and green risks according to a matrix of probability and impact. The headline risks (red and amber) are reviewed termly by the College Council including any actions and timescales required, and the yellow risks are reviewed by the Council mid-way between annual reviews. The full risk register is reviewed annually by the Governing Body. The current risk register identifies 11 headline risks, including 'major threat to health & wellbeing' – the only red risk – having crystallised into an issue upon the arrival of the pandemic. Others relate to financial risks (a change in the tuition fee regime, increased operational budget deficits, and increased pension deficits); IT risks (cyber-crime attack, a significant data breach, and a major IT operational outage); and the risks inherent in a failure to adopt an environmentally sustainable approach across the College's operations and estates.

With respect to financial risks, the risk of a change in the tuition fee regime which reduces financial resources available to support the world-class education that the College provides, appears to have increased given discussion about it in government circles, while it remains to be seen that the College can fully recover its operational budget position post-pandemic, particularly with respect to Conference income. The improvement in pension scheme provisions this year is welcome following previous adverse movements, but the College is aware of the headwinds facing traditional pension schemes such as CCFPS and USS.

With respect to IT risks, the College continues to focus through its IT and Compliance committees on mitigating the risks as far as possible but the experience of even the largest organisations shows that complete elimination of risk in this area cannot be fully achieved.

With respect to sustainability risks, the College has established a Sustainability working group, involving students, staff and academics with a view to developing a strategy and action plan for presentation to the College Council for approval during the course of 2021-22.

Last year the situation regarding Brexit was highlighted at a time when there remained a significant risk that there would be no deal between the UK and the EU at the end of the transition period in December 2020. In the event, a fairly minimal deal was agreed and Brexit is therefore no longer identified as a risk (because it has happened). However, a number of the issues we currently face flow from the outcome of it, in particular staffing shortages and supply chain issues are now facts of everyday life, and we have seen undergraduate admission numbers from EU countries fall sharply following the change to exclude students from these countries from Home fees status. Longer term, there remain uncertainties around the exact impact on academics, students and staff, as well as on financial markets and the attractiveness of Cambridge as a conference venue. The collegiate university has historically attracted the best people, irrespective of nationality, and this has underpinned its world leading status. Impediments to the free flow of people has the potential to damage the attractiveness of the University as a place of research or employment. The College celebrates the diversity of its staff and values their contribution highly. Last year, in this report, it was stated that these factors could undermine efforts to strengthen the finances over and above the already challenging headwinds resulting from dealing with the Covid-19 pandemic, and this appears to be more, rather than less, the case 12 months on.

7. Conclusion and Outlook for the Future

If 2019-20 was two-thirds 'normal year' followed by an unprecedented final four months, 2020-21 was more of a war of attrition against the pandemic that lasted the entire year. There were ups and downs, but it never went away. Against that background, not only can the College take pride in its response and resilience as it continued to deliver educational excellence and a range of support services through often creative means, but the financial outturn has also proved brighter than expected.

Notwithstanding the near-elimination of Conference income in 2020-21 and an impact on accommodation and catering income almost as severe as in 2019-20, the College has still managed to achieve an operating surplus on a cash basis and, assisted by a strong performance in its investment portfolio, a balance sheet nearly 8% larger at the end of the year than at the beginning.

The College also did not allow Covid to distract from its long-term plans, including the completion (on budget and with only minimal Covid-related delays) of the Bartlam Library and Quarry Whitehouse Auditorium, and the purchase of a new property at 1 Selwyn Gardens. Looking ahead to the future, the low-carbon redevelopment of this property together with the neighbouring Selwyn properties at 29 and 31 Grange Road, will provide a significant upgrade to postgraduate student accommodation from 2022. This will also permit a gentle increase in the number of full-time postgraduate students that Selwyn aims to admit. Similar refurbishment of the undergraduate hostel at 23 West Road is already planned for 2022-23, and looking ahead beyond that the future development of the hostels at 38 and 40 Grange Road and redecoration of Cripps Court are on the long-range agenda. The College is also progressing the redevelopment of the old library, which will provide further significant new facilities by way of seminar rooms, a dedicated space for medics and vets, a new home for the College archives and rare books, and new, less cramped, space for the Alumni and Development team.

In the still longer term, over the next 10 or more years, the outputs of the sustainability strategy are expected to assume a higher profile in the College's priorities. The largest challenge, but also with the largest prize, is the decarbonisation of College operations as far as possible, with degasification of College heating the largest component of that. The College expects to work closely with the university and other colleges on these initiatives, as it has already on the procurement of its entire electricity supply from fully renewable sources.

In the immediate future, recovering from the Covid-19 pandemic will continue to be the top priority. This is both an educational priority for the College, in continuing to provide academic excellence and all the wider benefits of the College and University experience, and a financial priority. It is already clear that 2021-22 will continue to be affected financially by the pandemic, not least because of the impact of summer 2021 on conference income, and a part of the year ahead will be spent developing a new financial equilibrium as we emerge from it.

As part of this, the underlying financial issues faced by the College prior to the pandemic will also need addressing. Selwyn remains relatively underendowed (with an endowment of about one-third of the collegiate average) and thus more vulnerable to influences outside its control. Although it remains focused on cost control and cash preservation, the College continues to incur losses, once depreciation is taken into account, in its core businesses of educating, feeding and housing its students, which provides a further incentive to developing a new sustainable financial model.

Despite all these challenges, expected and otherwise, there remains much to be positive about. Cambridge University remains a global academic and educational powerhouse and the collegiate system remains a source of strength within it. Selwyn College has an enviable location within the City and University and benefits from a dedicated staff and a positive, supportive and collaborative culture. Although the necessity of moving online through the pandemic has delivered some unexpected benefits, the crisis has also demonstrated the enduring power and value of in-person, personal, teaching and learning in a community setting which facilitates the interplay of ideas, sharing of knowledge and opinions, and respectful challenge and debate.

Martin Pierce
Bursar

16 November 2021

Statement of Corporate Governance

The following statement is provided by the Governing Body 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 1137517) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

The Governing Body is advised in carrying out its duties by a number of Committees. Foremost amongst these is the College Council, which meets a minimum of eleven times per year and carries delegated authority from the Governing Body under the Statutes of the College. The majority of Committees report to the College Council, which in turn reports to the Governing Body.

The principal officers of the College, who are all Trustees and ex-officio members of the Council, are:

The Master:	Mr Roger Mosey
The Vice Master:	Dr Janet A O'Sullivan
The Bursar:	Mr Martin D Pierce
The Senior Tutor:	Dr Michael J Sewell

It is the duty of the College Council to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make an annual report to the Governing Body. Membership of the Council includes the principal officers of the College ex-officio, plus 8 further Trustees elected periodically by the Governing Body and 3 junior members of the College who are also Trustees and members of the Governing Body.

There are Registers of Interests of Members of the Governing Body and by extension Council and its Committees on which Trustees sit, and of the senior administrative officers. Declarations of interest are made systematically at each meeting of Governing Body, Council and Committees.

The Members of the Governing Body during the year ended 30 June 2021 are set out on page 3.

Statement of Internal Control

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

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. A review of major risks takes place at each meeting of Council and the Governing Body, and the complete risk register is reviewed in full annually. This process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The setting of detailed budgets with clearly defined levels of authority for expenditure;
- Regular scrutiny of detailed financial performance data, including comparison with budgets;
- Annual comparison and benchmarking of financial performance and key indices with the other colleges.

The Council reviews in detail and recommends approval to the Governing Body:

- The annual Budget in advance of the start of the financial year;
- Periodic in-year reviews of financial performance against budget;
- The year-end accounts and audit.

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

Statement of Responsibilities of the Governing Body

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

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

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

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

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

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

Independent Auditors' Report to the Governing Body of Selwyn College
Year Ended 30 June 2021

Opinion

We have audited the financial statements of Selwyn College (the 'College) for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the 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 thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 25, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the College's 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 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 14 December 2021

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

Statement of Principal Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 7a.

The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

All items dealt with in arriving at the surplus for 2021 and 2020 relate to continuing operations.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain land and buildings.

Recognition of income

a. Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

b. Restricted grant income

Grants received from non-government sources are recognised within the 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 Statement of Comprehensive Income and Expenditure in line with such conditions being met.

c. 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 Statement of Comprehensive Income and Expenditure when the College is entitled to the income, the amount is measurable and receipt is probable. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

d. 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.

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

f. Cambridge Bursary Scheme
In 2020-21, 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 a contribution from the University of Cambridge towards this payment.

The net payment of £203k (2020: £156k) is shown within the Statement of Comprehensive Income and Expenditure as follows:

	2021	2020
	£000	£000
Restricted income from Academic fees and charges (note 1)	145	149
Restricted expenditure on Education (note 4)	348	305
	£203	**£156**

Fixed assets

a. Land and buildings
The operational buildings held by the College on 1 July 2002 have been brought into the accounts at depreciated replacement cost based on a valuation carried out by Davis Langdon LLP, Chartered Surveyors. Subsequent additions and improvements to the College's buildings are accounted for at cost. Freehold buildings are depreciated on a straight-line basis over their expected useful economic life of 50 years. Freehold land is not depreciated. Leasehold buildings are amortised over 50 years, or, if shorter, the period of the lease.

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 30 June 2021. They are not depreciated until they are brought into use.

No value has been placed on the land occupied by the College's operational buildings as at 1 July 2002; purchases of land after this date are to be capitalised.

b. Maintenance of premises
The College has a five-year rolling maintenance plan that is reviewed on an annual basis. The cost of routine maintenance is charged to the Statement of Income and Expenditure as it is incurred.

c. Furniture, fittings and equipment
Furniture, fittings and equipment costing less than £100 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful lives as follows:

Furniture and fittings	15 years
Motor vehicles	10 years
General equipment	5-20 years
Computer equipment	4 years
Library books	20 years
Musical instruments	50 years

No depreciation is charged in the year of acquisition.

d. Heritage assets
The College holds a collection of rare books which is not recognised in the Balance Sheet. This collection has arisen through donations and largely comprises works on theology. Few of the books are scarce or in first editions and the subject area is unfashionable. It would be difficult and expensive to replace the collection but equally the possibility of finding a specialist buyer could not be guaranteed, therefore to attribute any value to these books would be unrealistic.

The College employs a professional archivist whose responsibilities include the care and maintenance of the rare book collection. The exposure of the collection to heat and light is strictly controlled.

The College also holds a number of paintings and drawings but the majority of these are portraits of members and benefactors of the College. As such this collection pertains to the history of the College and has little external market value.

e. Leased assets
The College does not hold any fixed assets under finance leases.

Investments

Fixed asset 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.

Stocks

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

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

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

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all 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 Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

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

Foreign currencies

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

Taxation

The College is a registered charity (number 1137517) 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 College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension costs

The College participates in the Universities Superannuation Scheme (USS). 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 wholly defined contribution scheme. As a result, the amount charged to income and expenditure represents the contributions payable to the Scheme in respect of the accounting period. 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) and the resulting expense is included in income and expenditure.

The College also participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the Scheme are held in a separate trustee administered fund. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the schemes. 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 College also offers membership of NEST, a defined contribution pension scheme, to its non-academic employees and the pension charge represents the amounts payable by the College to the scheme in respect of the employees' service during the year.

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.

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. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 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 note 20.

FRS102 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 USS. 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 income and expenditure in accordance with section 28 of FRS 102. Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the 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 2018 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 20.

Statement of Comprehensive Income and Expenditure

Year ended 30 June 2021

	Note	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000
Income									
Academic fees and charges	1	2,839	145	-	2,984	2,757	149	-	2,906
Accommodation, catering and conferences	2	2,798	-	-	2,798	3,885	-	-	3,885
Investment income	3	-	-	1,529	1,529	-	-	1,643	1,643
Endowment return transferred	3	872	657	(1,529)	-	978	665	(1,643)	-
Job Retention Scheme Grant		431	-	-	431	339	-	-	339
Total income before donations and endowments		6,940	802	-	7,742	7,959	814	-	8,773
Donations		853	263	-	1,116	448	202	-	650
New endowments		-	-	642	642	-	-	593	593
Other capital grants for assets		-	256	-	256	-	1,849	-	1,849
Total income		7,793	1,321	642	9,756	8,407	2,865	593	11,865
Expenditure									
Education	4	3,217	933	-	4,150	3,415	766	-	4,181
Accommodation, catering and conferences	5	6,040	-	-	6,040	6,055	-	-	6,055
Other expenditure	6	74	-	-	74	(126)	-	-	(126)
Total expenditure	7	9,331	933	-	10,264	9,344	766	-	10,110
Surplus/(deficit) before other gains and losses		(1,538)	388	642	(508)	(937)	2,099	593	1,755
Gain/(loss) on disposal of fixed assets	9	1	-	-	1	(2)	-	-	(2)
Gain/(loss) on investments	10	888	327	8,210	9,425	251	83	2,679	3,013
Surplus before contribution under Statute G, II		(649)	715	8,852	8,918	(688)	2,182	3,272	4,766
Contribution under Statute G, II		(9)	-	-	(9)	(9)	-	-	(9)
Surplus/(deficit) after contribution under Statute G, II being surplus/(deficit) for the year		(658)	715	8,852	8,909	(697)	2,182	3,272	4,757
Other comprehensive income									
Actuarial (loss)/gain in respect of pension schemes	16	1,478	-	-	1,478	(973)	-	-	(973)
Total comprehensive income for the year		**£820**	**£715**	**£8,852**	**£10,387**	**£(1,670)**	**£2,182**	**£3,272**	**£3,784**

The notes on pages 42 to 59 form part of these accounts.

Statement of Changes in Reserves

Year ended 30 June 2021

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£000	£000	£000	£000
Balance at 1 July 2020	69,228	5,037	51,158	125,423
Surplus/(deficit) from income and expenditure statement	(658)	715	8,852	8,909
Other comprehensive income	1,478	-	-	1,478
Release of restricted capital funds spent in the year	2,523	(2,523)	-	-
Balance at 30 June 2021	**£72,571**	**£3,229**	**£60,010**	**£135,810**

	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£000	£000	£000	£000
Balance at 1 July 2019	65,527	8,226	47,886	121,639
Surplus/(deficit) from income and expenditure statement	(697)	2,182	3,272	4,757
Other comprehensive income	(973)	-	-	(973)
Release of restricted capital funds spent in the year	5,371	(5,371)	-	-
Balance at 30 June 2020	**£69,228**	**£5,037**	**£51,158**	**£125,423**

The notes on pages 42 to 59 form part of these accounts.

Balance Sheet as at 30 June 2021

	Note	30 June 2021 £000	30 June 2020 £000
Non-current assets			
Fixed assets	9	70,201	63,441
Investments	10	70,403	68,997
Total non-current assets		140,604	132,438
Current assets			
Stocks	11	262	270
Trade and other receivables	12	923	195
Cash and cash equivalents	13	2,021	2,163
Total current assets		3,206	2,628
Creditors: amounts falling due within one year	14	(1,907)	(2,446)
Net current assets/(liabilities)		1,299	182
Total assets less current liabilities		141,903	132,620
Creditors: amounts falling due after more than one year	15	-	-
Provisions			
Pension provisions	16	(6,093)	(7,197)
Total net assets		£ **135,810**	£ 125,423

	Note	30 June 2021 £000	30 June 2020 £000
Restricted reserves			
Income and expenditure reserve – endowment reserve	17	60,010	51,158
Income and expenditure reserve – restricted reserve	18	3,229	5,037
		63,239	56,195
Unrestricted reserves			
Income and expenditure reserve – unrestricted		72,571	69,228
Total Reserves		£ **135,810**	£ 125,423

Approved by the Governing Body on 16 November 2021 and signed on their behalf by:

Martin Pierce
Bursar

The notes on pages 42 to 59 form part of these accounts.

Cash Flow Statement for the year ended 30 June 2021

	Note	**2021 £000**	2020 £000
Reconciliation of surplus for the year to net cash flows from operating activities			
Surplus for the year		8,909	4,757
Adjustment for non-cash items			
Depreciation	9	1,976	1,958
Investment income	3	(1,529)	(1,643)
(Gain)/Loss on endowments and donations	18	(9,425)	(3,013)
(Increase)/Decrease in stocks	11	8	1
(Increase)/Decrease in trade and other receivables	12	(728)	1,866
Increase/(Decrease) in creditors excluding loans	14	(539)	234
Pension costs less contributions payable	16	374	28
Adjustment for investing or financing activities			
Investment income	3	1,529	1,643
(Gain)/Loss on sale of non-current assets	9	(1)	2
Net cash inflow from operating activities		**574**	5,833
Cash flows from investing activities			
Proceeds from sales of non-current fixed assets		5	-
Sales/(Purchases) of investment assets		8,019	1,613
Payments to acquire non-current assets	9	(8,740)	(6,018)
Total cash inflow from investing activities		**(716)**	(4,405)
Cash flows from financing activities			
Long term loans repaid	14/15	-	-
Net cash inflow from financing activities		**-**	-
(Decrease)/Increase in cash and cash equivalents in the year		**(142)**	1,428
Cash and cash equivalents at beginning of the year		2,163	735
Cash and cash equivalents at end of the year	13 **£**	**2,021**	£ 2,163

The notes on pages 42 to 59 form part of these accounts.

Notes to the Accounts for the year ended 30 June 2021

1	**ACADEMIC FEES AND CHARGES**	**2021**	2020
	College fees:	**£000**	£000
	Fee income received at the Regulated Undergraduate rate	1,703	1,651
	Fee income received at the Unregulated Undergraduate rate	511	455
	Fee income received at the Graduate rate	625	651
	From the University of Cambridge and Trinity College for Cambridge Bursaries	145	149
		£2,984	£2,906

2	**INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES**		**2021**	2020
			£000	£000
	Accommodation:	College members	2,393	1,889
		Conferences	19	745
	Catering:	College members	370	712
		Conferences	16	539
			£2,798	£3,885

3	**ENDOWMENT AND INVESTMENT INCOME**	**2021**	2020
	Income from:	**£000**	£000
	Quoted securities		
	Equities	1,274	1,389
	Fixed interest	255	223
	Cash	-	2
		£1,529	£1,643

Investment Management fees paid to J. M. Finn & Co. were £118,601 (2020: £113,465) and are included in Other Operating Expenses (Note 7a).

4	**EDUCATION EXPENDITURE**	**2021**	2020
		£000	£000
	Teaching	2,302	2,301
	Tutorial	466	474
	Admissions	263	283
	Access	141	241
	Research	146	155
	Scholarships and awards	296	218
	Cambridge Bursaries	348	305
	Other educational facilities	188	204
	Total	£4,150	£4,181

Notes to the Accounts for the year ended 30 June 2021

5	ACCOMMODATION, CATERING AND CONFERENCE EXPENDITURE		2021 £000	2020 £000
	Accommodation	- College members	2,777	2,698
		- Conferences	1,234	1,199
	Catering	- College members	1,405	1,494
		- Conferences	624	664
	Total		£6,040	£6,055

6	OTHER EXPENDITURE	2021 £000	2020 £000
	Net return on pension scheme assets less liabilities	74	(126)
		£74	£(126)

7a	ANALYSIS OF 2020-21 EXPENDITURE BY ACTIVITY	Staff costs (note 8) £000	Other Operating Expenses £000	Depreciation £000	Total £000
	Education (note 4)	2,120	1,690	340	4,150
	Accommodation, catering and conferences (note 5)	3,058	1,346	1,636	6,040
	Other expenditure (note 6)	-	74	-	74
		£5,178	£3,110	£1,976	£10,264

Other Operating Expenses includes £215,676 as costs of fundraising (2020: £287,221) and £159,767 as costs of alumni relations (2020: £195,975).

7b	ANALYSIS OF 2019-20 EXPENDITURE BY ACTIVITY	Staff costs (note 8) £000	Other Operating Expenses £000	Depreciation £000	Total £000
	Education (note 4)	1,934	1,905	342	4,181
	Accommodation, catering and conferences (note 5)	3,037	1,402	1,616	6,055
	Other expenditure (note 6)	-	(126)	-	(126)
		£4,971	£3,181	£1,958	£10,110

7c	AUDITORS' REMUNERATION	2021	2020
	Other operating expenses include:	£000	£000
	Audit fees payable to the College's external auditors	16	16
	Other fees payable to the College's external auditors	-	2
		£16	£18

Notes to the Accounts for the year ended 30 June 2021

8 STAFF

	Academic £000	**Non-academic £000**	**2021 Total £000**	2020 Total £000
Staff costs:				
Salaries	957	2,845	3,802	3,819
National Insurance	78	214	292	280
Pension costs (see note 22)	164	920	1,084	872
	£1,199	£3,979	£5,178	£4,971

	Average staff numbers 2021			Average staff numbers 2020		
	Number of Fellows	**Full-time equivalents**	**2021 Total**	Number of Fellows	Full-time equivalents	2020 Total
Academic	61		61	58		58
Non-academic	2	105	107	3	103	106
	63	105	168	61	103	164

At 30 June 2021 there were 64 Members of the Governing Body. During the year the average number receiving a stipend from the College was the 63 as shown above.

The number of officers and employees of the College, including Head of House, who received remuneration in the following ranges was:

From	**To**	**2021 Total**	2020 Total
£100,001	£110,000	1	0
£110,001	£120,000	2	1

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

During the year, remuneration paid to Trustees in their capacity as College Officers was: £1,288,324 (63 Trustees) (2020: £1,112,825 (70 Trustees)). The trustees receive no remuneration in their role as trustees of the charity.

Notes to the Accounts for the year ended 30 June 2021

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

	2021 £000	2020 £000
Aggregated remuneration:	£280	£287

9 FIXED ASSETS

	2021 Land and buildings £000	**2021 Equipment £000**	**2021 Total £000**	2020 Total £000
Cost or valuation				
At beginning of year	79,908	7,915	87,823	82,068
Additions at cost	7,217	1,523	8,740	6,018
Disposals at cost/valuation	-	(143)	(143)	(263)
At end of year	87,125	9,295	96,420	87,823
Depreciation				
At beginning of year	21,088	3,294	24,382	22,685
Charge for the year	1,459	517	1,976	1,958
Eliminated on disposals	-	(139)	(139)	(261)
At end of year	22,547	3,672	26,219	24,382
Net book value				
At end of year	**£64,578**	**£5,623**	**£70,201**	**£63,441**
At beginning of year	£58,820	£4,621	£63,441	£59,383

The insured value of freehold land and buildings as at 30 June 2021 was £121,116,559 (2020: £107,775,121).

10 INVESTMENTS

	2021 £000	2020 £000
Balance at beginning of year	68,997	67,597
Additions at cost	1,267	3,959
Disposals at opening market value	(6,839)	(5,012)
Appreciation on disposals/revaluation	8,608	3,239
Increase in cash balances held by fund managers	(1,630)	(786)
Balance at end of year	£70,403	£68,997
Represented by:		
Quoted securities – equities	58,950	52,810
Quoted securities – fixed interest	7,439	10,542
Cash held for reinvestment	4,014	5,645
	£70,403	£68,997

11 STOCKS

	2021 £000	2020 £000
Goods for resale	£262	£270

Notes to the Accounts for the year ended 30 June 2021

12 TRADE AND OTHER RECEIVABLES	**2021**	2020
	£000	£000
Members of the College	125	34
Trade debtors	33	12
Taxation recoverable	43	48
Other receivables	645	53
Prepayments	77	48
	£923	£195

13 CASH AND CASH EQUIVALENTS	**2021**	2020
	£000	£000
Current accounts	2,002	2,144
Cash in hand	19	19
	£2,021	£2,163

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	**2021**	2020
	£000	£000
Trade creditors and accruals	495	874
PAYE and Social Security	137	136
Students' deposits	151	90
Interest-free loan repayable 1st September 2020	-	100
Other creditors	1,124	1,246
	1,907	2,446

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	**2021**	2020
	£000	£000
	-	-
	-	-

16 PENSION PROVISIONS	**CCFPS**	**USS**	**2021**	2020
	£000	**£000**	**£000**	£000
Balance at beginning of year	6,781	416	7,197	6,196
Movement in year:				
Current service cost including life assurance	1,024	146	1,170	993
Contributions	(706)	(164)	(870)	(839)
Other finance cost/(gain)	99	(25)	74	(126)
Actuarial loss/(gain)	(1,478)	-	(1,478)	973
Balance at end of year	£5,720	£373	£6,093	£7,197

Notes to the Accounts for the year ended 30 June 2021

17 ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	**Unrestricted permanent endowments £000**	**2021 Total £000**	2020 Total £000
Balance at beginning of year:				
Capital	27,457	23,701	51,158	47,886
New donations and endowments	642	-	642	593
Increase/(decrease) in market value of investments	4,329	3,881	8,210	2,679
Balance at end of year	£32,428	£27,582	**£60,010**	£51,158

Analysis by type of purpose:

	2021	2020
Fellowship Funds	12,151	10,486
Scholarship Funds	5,067	4,387
Prize Funds	672	445
Hardship Funds	10,420	8,583
Travel Grant Funds	721	624
Other Funds	3,397	2,932
General endowments	27,582	23,701
	£60,010	£51,158

Analysis by asset:

	2021	2020
Investments	60,010	51,158
	£60,010	£51,158

Notes to the Accounts for the year ended 30 June 2021

18 RESTRICTED RESERVES

Reserves with restrictions are as follows:

	Capital grants unspent £000	**Unspent restricted income £000**	**Restricted expendable endowment £000**	**2021 Total £000**	2020 Total £000
Balance at beginning of year:					
Capital	2,267	-	50	2,317	5,843
Accumulated income	-	2,481	239	2,720	2,383
	2,267	2,481	289	5,037	8,226
From the University of Cambridge for Cambridge Bursaries	-	145	-	145	149
New grants	256	-	-	256	1,849
New donations	-	53	210	263	202
Investment income	-	656	1	657	665
Increase/(decrease) in market value of investments	-	319	8	327	83
Capital grants utilised	(2,523)	-	-	(2,523)	(5,371)
Expenditure	-	(806)	(127)	(933)	(766)
	(2,267)	367	92	(1,808)	(3,189)
Balance at end of year					
Capital	-	-	56	56	2,317
Accumulated income	-	2,848	325	3,173	2,720
	£-	**£2,848**	**£381**	**£3,229**	**£5,037**
Analysis of other restricted funds/donations by type of purpose:					
Fellowship Funds		1,130	145	1,275	1,070
Scholarship Funds		530	14	544	508
Prize Funds		139	16	155	128
Hardship Funds		759	77	836	743
Travel Grant Funds		118	45	163	138
Other Funds	-	172	84	256	2,450
	£-	**£2,848**	**£381**	**£3,229**	**£5,037**

Notes to the Accounts for the year ended 30 June 2021

19 RECONCILIATION AND ANALYSIS OF NET DEBT

	At 1 July 2020 £000	Cash Flows £000	Other non-cash changes £000	At 30 June 2021 £000
Cash and cash equivalents	2,163	(142)	-	2,021
Borrowings:				
amounts falling due within one year				
Unsecured loans	(100)	100	-	-
	-	**-**	**-**	**-**
Borrowings:				
Amounts falling due after more than one year				
Unsecured loans	-	-	-	-
	-	**-**	**-**	**-**
	£2,063	**£(42)**	**-**	**£2,021**

Notes to the Accounts for the year ended 30 June 2021

20 FINANCIAL INSTRUMENTS

	2021 £000	2020 £000
Financial assets		
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments	61,314	59,186
Financial assets that are equity instruments measured at cost less impairment		
Other equity investments	5,074	4,166
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	6,035	7,808
Other debtors	835	125
	£73,258	**£71,285**
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans	-	100
Trade creditors	145	508
Other creditors	1,144	1,221
	£1,289	**£1,829**

Notes to the Accounts for the year ended 30 June 2021

21 CAPITAL COMMITMENTS

	2021	2020
	£000	£000
Commitments contracted for at 30 June:	£187	£4,180

Notes to the Accounts for the year ended 30 June 2021

22 PENSION SCHEMES

The College participates in the following pension schemes: the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). Eligible non-academic staff not wishing to join CCFPS are auto-enrolled into NEST. Contributions payable in respect of the year were as follows:

	2021 £000	2020 £000
USS	164	149
CCFPS	910	713
NEST	10	10
	1,084	872

Universities Superannuation Scheme

The College participates in the Universities Superannuation 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 wholly defined contribution scheme. As a result, the amount charged to income and expenditure represents the contributions payable to the Scheme in respect of the accounting period. 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) and the resulting expense is included in income and expenditure.

The total cost charged to income and expenditure is £164k (2020: £149k) as shown in note 8. Deficit recovery contributions due within one year for the College are £45k (2020: £19k)

As at the 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since 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 Scheme assets and liabilities, the following disclosures reflect those relevant for the Scheme as a whole.

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the Scheme

Notes to the Accounts for the year ended 30 June 2021

22 PENSION SCHEMES

Universities Superannuation Scheme (continued)

was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below.

Discount rate:
Years 1-10: CPI + 0.14% reducing linearly to CPI -0.73%
Years 11-20: CPI + 2.25% reducing linearly to CPI +1.55% by year 21
Years 21+: CPI + 1.55%

Pension increases (CPI):
Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% 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 2018 actuarial valuation. The mortality assumptions used in these figures are as follows. Mortality base table:

2018 Valuation	**2017 Valuation**
Pre-retirement 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.	Pre-retirement 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
Post-retirement 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.	Post-retirement 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.
Future improvements to mortality CM_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.	CM_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

	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

Notes to the Accounts for the year ended 30 June 2021

22 PENSION SCHEMES

Universities Superannuation Scheme (continued)

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	**2020**
Discount rate	0.78	0.73
Pensionable salary growth	2.7%	2.7%

Cambridge Colleges Federated Pension Scheme

The College is also a member of a multi-employer defined benefit scheme: the Cambridge Colleges' Federated Pension Scheme. A full valuation was undertaken as at 31 March 2020 and updated to 30 June 2021 by a qualified independent actuary.

The liabilities of the scheme have been calculated, at 30 June 2021, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the Scheme benefit structure and membership since that date.

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

	2021 **% p.a.**	**2020** **% p.a.**
Discount rate	1.80	1.45
Salary inflation assumption	3.10	2.70
Retail Prices Index (RPI) assumption	3.40	3.10
Consumer Prices Index (CPI) assumption	2.60	2.20
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.00
Pension increases (CPI Max 2.5% p.a.)	1.95	1.80

Notes to the Accounts for the year ended 30 June 2021

22 PENSION SCHEMES

Cambridge Colleges Federated Pension Scheme (continued)

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements. (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

	2021	**2020**
Males currently aged 65 now	21.9	21.9
Females currently aged 65 now	24.3	24.2
Males aged 45 now and retiring in 20 years	23.2	23.2
Females aged 45 now and retiring in 20 years	25.7	25.6

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	Male	Female
Active Members – Option 1 Benefits	64	64
Deferred Members – Option 1 Benefits	63	62

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in these calculations.

The amounts recognised in the Balance Sheet as at 30 June 2021 (with comparative figures as at 30 June 2020) are as follows:

	2021	**2020**
	£000	**£000**
Present value of plan liabilities	(19,565)	(20,179)
Market value of plan assets	13,845	13,398
Net defined benefit liability	**£(5,720)**	**£(6,781)**

The amounts to be recognised in income and expenditure for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	**2020**
	£000	**£000**
Current service cost	1,000	834
Administration expenses	25	25
Interest on net defined benefit liability	99	125
Loss of plan changes	-	-
Total	**£1,124**	**£984**

Notes to the Accounts for the year ended 30 June 2021

22 PENSION SCHEMES

Cambridge Colleges Federated Pension Scheme (continued)

Changes in the present value of the Scheme liabilities for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£000	£000
Present value of Scheme liabilities at beginning of period	20,179	17,681
Current service cost (including Employee contributions)	1,000	834
Employee contributions	23	33
Benefits paid*	(1,233)	(395)
Interest on Scheme liabilities	291	403
Actuarial losses/(gains)	(695)	1,623
Loss on plan changes	-	-
Present value of Scheme liabilities at end of period	**£19,565**	**£20,179**

*net benefits paid after receipt of two large death in service lump sums

Changes in the fair value of the Scheme assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£000	£000
Market value of Scheme assets at beginning of period	13,398	12,167
Contributions paid by the College	706	691
Employee contributions	23	33
Benefits paid	(1,233)	(395)
Administration expenses	(40)	(39)
Interest on plan assets	192	278
Return on assets, less interest included in income and expenditure	798	663
Market value of plan assets at end of period	**£13,844**	**£13,398**
Actual return on plan assets	**£990**	**£941**

The major categories of Scheme assets as a percentage of total Scheme assets at 30 June 2021 (with comparative figures at 30 June 2020) are as follows:

	2021	2020
Equities	48%	49%
Bonds and cash	42%	41%
Property	10%	10%
Total	**100%**	**100%**

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

Notes to the Accounts for the year ended 30 June 2021

22 PENSION SCHEMES

Cambridge Colleges Federated Pension Scheme (continued)

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Return on assets, less interest included in Profit & Loss	798	663
Expected less actual scheme expenses	(15)	(14)
Experience gains and losses arising on Scheme liabilities	309	242
Changes in assumptions underlying the present value of Scheme liabilities	386	(1,864)
Re-measurement of net defined benefit liability recognised in OCI	**£1,478**	**£(973)**

Movement in net defined benefit liability during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Deficit in Scheme at beginning of year	(6,781)	(5,514)
Recognised in income and expenditure	(1,123)	(985)
Contributions paid by the College	706	691
Re-measurement of net defined benefit liability recognised in OCI	1,478	(973)
Net defined benefit liability at end of year	**£(5,720)**	**£(6,781)**

Funding Policy

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

Notes to the Accounts for the year ended 30 June 2021

22 PENSION SCHEMES

Cambridge Colleges Federated Pension Scheme (continued)

The last such valuation was at 31 March 2020. This showed that the Scheme'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 Scheme's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £99,277 per annum payable for the period 1 July 2021 to 31 May 2033.

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

NEST

The College offers membership of NEST, a defined contribution pension scheme, to its non-academic employees not wishing to join the CCFPS. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £9,720 (2020: £10,011) of which £814 (2020: £758) was outstanding at the year end.

23 RELATED PARTY TRANSACTIONS

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

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

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees.

Fellows are remunerated for teaching, research and other duties within the College. Fellows are billed for any private catering. The Trustees remuneration is overseen by the Remuneration Committee.

Notes to the Accounts for the year ended 30 June 2021

23 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	41	43
£10,001	£20,000	4	9
£20,001	£30,000	5	6
£30,001	£40,000	5	3
£40,001	£50,000	3	6
£50,001	£60,000	2	1
£60,001	£70,000	0	2
£70,001	£80,000	2	0
£80,001	£90,000	1	0
	Total	**63**	**70**

The total Trustee salaries were £999,181 for the year (2020: £863,820)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £21,230 for the year (2020: £30,708)

24 Post Balance Sheet Event

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £709,345 in the provision for the obligation to fund the deficit on the USS pension which would instead be £1,082,707. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £1,352,444 in the provision for the obligation to fund the deficit on the USS pension which would instead be £1,725,806.