

ST EDMUND'S COLLEGE

ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2021

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St Edmund's College

College Details

Year ended 30 June 2021

The College's full legal name is The Master, Fellows and Scholars of St Edmund's College in the University of Cambridge, a body incorporated under Royal Charter. It is a registered charity (registration number 1137454), with its registered office at Mount Pleasant, Cambridge CB3 0BN.

The names of the members of the Council during the year were as follows:

Master	Ms Catherine Arnold
Vice-Master	Dr Philip McCosker (to 31.8.20)
	Dr Diana Wood (from 1.9.20)
Senior Tutor	Dr Judith Collis (Bunbury)
Bursar	Ms Edna Murphy (to 30.9.20)
	Mr Graham Watson (from 1.11.20)
Secretary of the Governing Body	Dr Kate Brett
Dean	Fr Ed Hone (from 1.10.20)

Dr Rafia Al-Lamki
Dr Sandra Brunnegger
Mr Gordon Chesterman (to 30.9.21)
Professor Stephen Jenkins (to 30.9.21)
Dr Ann Kaminski (to 30.9.20)
Dr Diana Wood (ex-officio as Vice-Master from 1.9.20)
Dr Gemma Burgess (from 1.10.20)
Professor Eugene Murphy (from 1.10.20)
Dr Tina Barsby (from 1.10.21)
Dr Gitajali Yadav (from 1.10.21)

St Edmund's College

College Details

Year ended 30 June 2021

Principal advisers:

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

Investment Managers: Cambridge University Investment Office (managing the Endowment Fund)
30 Station Road
Cambridge
CB1 2RE

Legal Advisers: Taylor Vinters
Merlin Place
Milton Road
Cambridge
CB4 0DP

Bankers: Barclays
9-11 St Andrew's Street
Cambridge
CB2 3AA

St Edmund's College

Financial Report of the Trustees

Year ended 30 June 2021

St Edmund's College was founded in 1896 and was granted its Royal Charter in 1998. Today St Edmund's is an autonomous, self-governing community of scholars, and one of the 31 colleges within the University of Cambridge.

The origins of the College lie in the creation of a dedicated House for Roman Catholics, after the repeal of the final Test Acts in the 1870s (which had excluded Roman Catholics, Jews and Non-Conformists from various aspects of public life, including full participation in the University of Cambridge). St Edmund's is the only full College in Cambridge or Oxford with a Roman Catholic Dean and Chapel.

This drive for inclusion, and a commitment to provide a space where graduates and mature undergraduates, and affiliated students from any and all backgrounds can feel welcomed within collegiate-Cambridge, remains central to the College's ethos and mission today. In 1969 the College accepted its first female student, becoming the first of the 31 Colleges in Cambridge today to accept both men and women as students. Today the College is one of the most international within Cambridge, with over 70 nationalities represented within the student body.

Diversity of intellectual pursuit, and belief in the benefits of fostering cross-disciplinary discussion and debate are central to the College's purpose. The College is one of only 12 Colleges in collegiate-Cambridge, and the only mature college, to offer undergraduate degrees in all subjects offered for Tripos examination, as well as accepting graduate students on all courses provided by the University.

The Governing Body, comprised of 66 Fellows, is deliberately drawn from across a wide range of disciplines and contains non-academic members, reflecting the equal importance for the College of our students and members who are focussed primarily on research and those who are in Cambridge for a period, before returning to non-academic positions around the world. To support the mission of the College, 159 non-Governing Body senior members. This is composed of Honorary, Life, Emeritus and Bye Fellows, as well as Senior Research Associates, Research Associates, Post-Doctoral Research Associates, Fellows Commoner, Senior Members and Visitors to the Senior Combination Room. Bringing outstanding individuals from a range of academic and professional backgrounds into the intellectual and communal life of the College is of benefit to the College community and supports delivery of our charitable objects.

A highlight of the year was the visit to the College by HRH The Princess Royal in May 2021. During the visit HRH met members of the College to hear about their studies and research. The College was deeply honoured that HRH accepted the invitation to become an Honorary Fellow of the College. During her visit she was installed as an Honorary Fellow and, following a tour of the building housing student accommodation, officially opened Mount Pleasant Halls.

St Edmund's is proud to provide a welcoming space, in a spirit of active and mutual respect, for people of all faiths and none. This remains a defining feature of the College and responds, in a contemporary setting, to our founders' focus on ensuring a space within the University of Cambridge for a previously excluded religious minority. The Von Hügel Institute, an international research hub inspired by Catholic thought and culture, and focussed on interdisciplinary dialogue on contemporary global realities, is a formal part of the College. The Woolf and Faraday Institutes, both focussed on interdisciplinary encounters with a focus on religion(s), are affiliated to the College. The College also has a number of scholarships to foster this diversity, including Randeree and Aziz scholarships for British Muslims.

The College has seen a period of significant growth this century. The student body in this financial year, stood at 636, (representing 505 full-time equivalents), up from 290 in 2000. Over the last twenty years the College's estate has significantly expanded. Following the opening of Mount Pleasant Halls in September 2019 the College now has 495 units of accommodation, of mixed size, on a leafy 9-acre site.

An important feature of collegiate life at St Edmund's is the lack of divisions between students and senior members, whether when dining or in the use of the College's recreational facilities. Senior members and students are encouraged to form joint societies and find opportunities for shared intellectual and recreational endeavour. In recognition of the mature status of the College, families are welcomed in College, including access to informal dining and a range of family-friendly accommodation on site.

Scope of the financial statements

Objectives

The College's charitable objectives are:

- 1) To advance education, religion, learning and research in the University of Cambridge
- 2) To provide for that purpose a college for men and women who shall be members of the University wherein they may work for degrees of the University or may carry out graduate or other special studies at Cambridge

Public Benefit

The College provides, in conjunction with the University of Cambridge, an education for mature undergraduate (those aged 21 and above) and graduate students, which is recognised internationally as being of the highest standard.

This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society.

To further its objectives the College provides the following:

Education & learning

- Teaching facilities and individual or small-group supervision for undergraduates, as well as pastoral, administrative and academic support for all students through its tutorial and teaching systems
- Social, cultural, religious, musical, recreational, and sporting facilities which enable each of its students to realise their academic and personal potential to the full, while studying at the College
- Supporting the education, learning and research of its students and Fellows by promoting interaction across disciplines, providing opportunities and facilities for seminars, conversation, and research collaboration, and developing a community of researchers.

Research

- Providing stipendiary and non-stipendiary Research Fellowships to outstanding academics in 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
- Fostering early career researchers through an active cohort of Post-Doctoral Research Associates, with a dedicated cohort convenor
- Developing academic networking by encouraging visits from outstanding academics as Visiting Fellows (including a Shackle Visiting Fellow, to be appointed every 2-3 years and focused on the history of Economics, as part of the Shackle bequest), Visiting Scholars, Senior Research Associates and Research Associates.

Religion

- Supports the Chapel as a place of religious worship and personal reflexion, and holds a variety of religious services, which are open to the public, as well as members of the College
- Nurtures, through the Dean, who is a Roman Catholic priest, the emotional, mental and spiritual well-being of all members of the College community, whatever their faith tradition, or none
- Maintains its historical connection with the Roman Catholic Church, including through the work of the Von Hügel Institute – an international and interdisciplinary research hub inspired by Catholic thought and culture, focussed on contemporary global realities, and dedicated to encounter, dialogue, and transformation
- Welcomes members of all faiths and none and supports interdisciplinary encounters from the perspective of religion(s) through the affiliation of the Woolf and Faraday Institutes.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University, regardless of their financial, social, religious or ethnic background.

In order to fulfil its charitable purposes the College has a number of student-focussed academic and community roles. In 2020/21 these included: tutors (14); directors of studies (37); supervisors (~60); and college teaching officers (3). Fifteen members of our Governing Body are University Teaching Officers.

The College also appoints tutors to a number of specific roles each year, in 2020/21 these were: Senior Tutor; Deputy Senior Tutor; Admissions Tutor; Deputy Admissions Tutor; Careers Tutor; Prizes Tutor; Childcare Tutor; Rooms Tutor; Special Cases Tutor; Finance Tutor.

The College maintains a modern Library and other study and IT facilities, providing a valuable academic resource for all members of the College. In 2020/21 the College added external facilities to reduce Covid risk. These included wooden gazebos to improve outdoor social space and an outdoor gym.

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to St Edmund's or to the University of Cambridge, the College holds open days and provides guidance and information for prospective applicants on the College Admissions site and through the admissions staff in its Tutorial Office, including a member of staff dedicated to widening access and participation.

The Impact of COVID-19 on College Activities

The outbreak of the COVID-19 pandemic, and related restrictions continued to have an impact on the College and all the colleges within the University of Cambridge. The College was open for its students but remained closed to visitors for the majority of the year. Over 190 students remained or returned to College accommodation at the beginning of the Michaelmas term

Most lectures, supervisions and tutor meetings remained online. The College created a programme of virtual activities known as Edventures to engage the students to replace the normal social activities held in College. Guides were created to help students be prepared for self-isolation together with a guide on how to manage a period of enforced self-isolation. A new app was created that allowed students to order food from the College restaurant for it to be delivered safely to their room. The College also created self-isolation food packs to help students without any support close to them.

The College's response to the pandemic remained the focus of the Council and its senior officers. A weekly meeting was held to ensure all staff were briefed on the latest guidance and operational changes necessary to ensure our community remained safe.

The household groupings and other interventions from the previous academic year were maintained. Students had access to the University's symptomatic testing facilities, and students participated in weekly asymptomatic testing on a voluntary basis. This ensured the virus within the College was very well contained with fewer incidences of infection than the population at large.

The pandemic impacted on the matriculation and graduation of student ceremonies. The College adapted its format so that while not ideal the process of matriculation and graduation continued.

The College being closed to visitors impacted upon the income the College was able to generate by hiring out its facilities.

Examination results

The overall percentage of undergraduate students obtaining a Good Honours degree (Class I and Class II Division I combined) is c90%. This is in line with the university as whole where the average percentage of students obtaining a Good Honours classification across all colleges this year was 92.5%. Also of note is the fact that there were no fails again amongst our students.

Masters students examination results last year were also comparable to those of recent years with 12% obtaining a Distinction, 1.5% Merit, and over 86% a Pass, and no fails.

During the academic year, 42 St Edmund's students successfully completed their PhD degrees.

Scholarships

Scholarships and awards of £480k (£557k 19/20) were awarded during the year.

Prizes & Other Funds

In 2020/21 the College awarded prizes, including those from donors, for outstanding academic or community achievement to the value of £6,950 (£8,550 in 2019/20), these included:

- 37 College prizes (outstanding academic achievement)
- 2 Martlet awards (for students who have overcome personal difficulties)
- 5 Tutorial awards (for outstanding community achievement)
- The Father Nicholas Smith Prize; The Coventry-Emsley Prize; The Kenneth Emsley Prize; The Toby Jackman Prize; The James Claydon Prize; The Robin Chatterjee Prize; The John C B Chau Prize; The Scannell Prize; The Simon Boniface Prize; The Georges Lemaître Prize are to be awarded after the year end.

Fund	Description	Total £ 2020/21	Total £ 2019/20
Financial Support for students in residence, including the Santander Universities award for hardship.	Assistance including for unforeseen hardship and disability support e.g., dyslexia testing or computer software	44,290 (59 awards)	29,855
Academic Travel	For research, academic conferences etc.	4,352 (8 awards)	14,370
Language & Amenities	Activities and equipment etc. not connected directly to academic work, including language courses.	1,570 (7 awards)	2,963
10 th Term Funding	For PhD students who overrun their nine term funding and require support while submitting their thesis	5,500 (3 awards)	4,000
Santander Universities	Travel awards	-	5,740 (7 awards)
Bell, Abbott and Barnes	Assistance for unforeseen hardship and disability support	4,000 (9 awards)	4,000 (8 awards)
TOTAL		£60,212	£60,938

Bursaries

In order to assist non-ELQ undergraduates of limited financial means, The College provides bursary support through the Cambridge Bursary Scheme, a scheme operated in common with the University and other Colleges. For the academic year 2020/21, awards totalling £226k were made (£242k in 2019/20). The net cost to the College for participation in this scheme was £35k after contributions by the University and other Colleges of £191k. The scheme is widely advertised on the University website, on the College website, and via our admissions materials.

Operating and Financial Review

1. Student Numbers
2. Accommodation and Conferencing
3. Income and Expenditure
4. Capital Additions
5. Investments
6. Reserves
7. Fundraising and Alumni Relations
8. Remuneration Policy
9. Principal Risks and Uncertainties
10. Going Concern
11. Progress made during the year and future plans

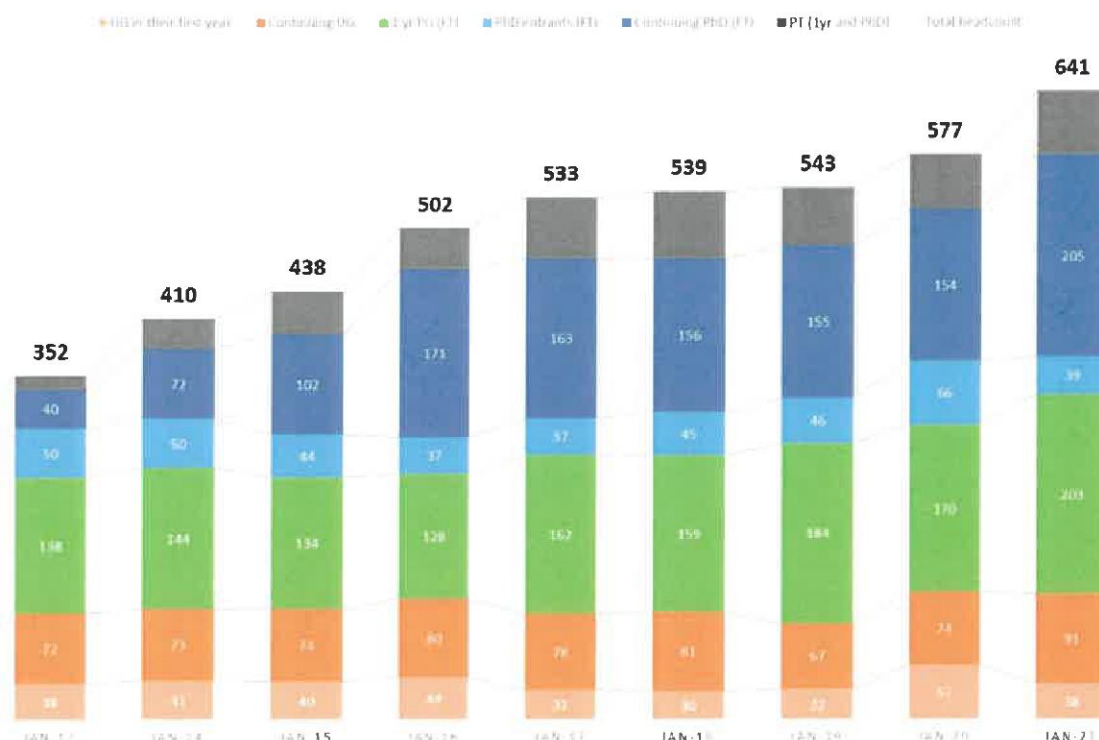
1. Student Numbers

The College admits full-time and part-time graduate students studying for PhDs and Master courses, and full-time mature undergraduate students aged 21 and over. Total student numbers in 2020/21 (including part-time graduates and graduates writing up or under examination) of 641 represented an increase of over 10% on the previous year (577).

The following chart shows the figures for full-time students over the past five years as of 1 January each year:

Financial Report of the Trustees

Year ended 30 June 2021



The College has a commitment to managed growth, in line with the University of Cambridge's ambitions. There is significant benefit to the College community to ensure sufficient mature first-degree undergraduate and PhD students attend. These students typically complete a minimum of three-years and provide academic and community continuity within the student body and the College community.

There is a significant opportunity for growth in the number of taught Masters students over the next few years. These represent a majority of the College's new entrants each year (203 full time students).

St Edmund's remains one of Cambridge's most international Colleges; 60% of the 2020/21 entrants (66% in 2019/20) being non-UK students.

2. Accommodation & Conferencing

Overall, the College had 495 units of accommodation, mainly for single occupation, but with 87 units available for multiple occupancy, including 12 family flats and maisonettes. The College has two accommodation sub-contracts, with Howard Osborne and Darwin College representing 116 units within Mount Pleasant Halls. The contract with Howard Osborne is for 20 years and Darwin College for 5 years. In 2020/21 an additional 26 rooms were let to a neighbouring college and a further 50 rooms were let to Trinity College both for the academic year only.

Conferencing income, normally received in the beginning of the financial year, was severely impacted upon in the period as a result of the pandemic. We received no income from conferencing compared to £383k in the previous financial year.

3. Income and Expenditure

The Statement of Income and Expenditure (SOCIE) shows total comprehensive surplus for the year of £1,579k.

Academic income, at £2,585k, was £151k higher than the previous year (£2,434k). Of this total, £2,294k is made up of fees paid by or on behalf of students, as set out in detail in note 1. Within academic income are included the contributions from the University and other colleges for Cambridge Bursaries. £191k appears as income from this source, with a corresponding figure in expenditure of £226k creating a net cost to the College of £35k.

Residential and catering income, at £3,652k, was £251k higher than the previous year (£3,401k).

There was a further increase in endowment and investment income (from £291k to £306k), mainly as a result of increased investment in the Cambridge University Endowment Fund made during 2019/20 and the performance of the Fund. An unrealised gain on investments of £1,390k is shown.

Donations are classified as unrestricted or restricted donations for spending in the current year; new permanent endowments, for spending over the longer term; or donations to support building or refurbishment projects. Total donation, endowment and grant income as shown in the SOCIE was £204k, compared with the previous year's figure of £272k.

The College Grant Fund of £1,088k disbursed to the College in FY 2020/21 to mitigate against losses caused by the Covid pandemic. This donation has been given without restriction. There is informal cross-college agreement that this will continue to be unrestricted income in 2021/22. (2019/20 £920k unrestricted donation.)

Total expenditure within the SOCIE was £7,815k, including depreciation of £1,036k (which represents 13% of expenditure). Mount Pleasant Halls has added significantly to the depreciation expenditure. The proportion of total expenditure (excluding depreciation) spent on staff costs was 27% (£2,149k). The cost of the three pension schemes (USS, CCFPS, Aviva), excluding the USS deficit provision change, was £38k, representing 2% of staff costs. Pension costs exclude the decrease in the CCFPS liability of £76k, as this is shown as an actuarial gain below the Surplus for the Year.

4. Capital Additions

A number of capital transactions relating to refurbishment and acquisitions, costing £253k, are shown in note 10, and the details are as follows, all in £000:

Additions to buildings	New Developments	Existing Buildings	Additions to fittings and equipment	Total
Bike storage and services to enable future development	33			33
Minor additions		7	1	8
Computer Equipment and cabling		11	5	16
Creation of Covid secure households		137	3	140
Creation of Health Centre and Art Room		6		6
Change of use from bedrooms to offices		13		13
Mechanical & electrical works to existing buildings		21		21
Outdoor Gym equipment			16	16
Total non-lease additions	33	194	25	253

The creation of households throughout the Norfolk building was completed during the summer of 2020. This work enabled student accommodation to be organised into flats of 6-9 students with separate kitchens, bath/shower rooms and a dining room. Access to each flat was restricted with improvements to locks. These works enabled a more Covid secure environment and organisation into households in which there was sufficient facilities to self-isolate. The University's asymptomatic testing service was available by household.

5. Investments

Since March 2018 the College's endowment has been invested in Cambridge University Endowment Fund (CUEF).

CUEF's investment objective from 1 July 2019 was to achieve or exceed a long-term average annual rate of total return equal to the Consumer Prices Index (CPI) for each calendar year plus 5%. The fund has a hybrid rule for its distribution based on a long-term rate of capital value. From 1 July 2019, the target rate used in this distribution formula has been amended from 4.25% to 4%. Therefore, the overall long-term objective of CUEF is to achieve an increase in asset values, after paying the distributions, of at least 1% above inflation (measured as CPI).

The College's investments in CUEF were as follows:

	30 June 2021	30 June 2020
Unit Value	£67.68	£57.44
Total number of units	135,760	135,760
Value of units (unrestricted)	7,210,084	6,119,042
Value of units (restricted)	1,978,153	1,678,815
Total value of units	9,188,237	7,797,858

The College received distributions totalling £303k, giving a distribution yield of 4% on the average capital value.

The net return for CUEF for the year to 30 June 2021 was 24.1% and the MSCI All Country World Index was up 24.6% for the same period. CUEF had a total fund value of £3,840m at 30 June 2021.

The asset allocation of CUEF was as follows:

	30 June 2021	30 June 2020
Public equity	43%	46%
Private equity	20%	16%
Absolute return	11%	8%
Credit strategies	3%	5%
Real assets	10%	9%
Fixed interest/cash	13%	16%

6. Reserves

The College does not hold any free reserves but instead relies on the continued success and reputation of the University of Cambridge to attract students, therefore providing it with income in the form of tuition fees and other maintenance charges. The long-term aim is to provide unrestricted reserves to the value of three months of usual operating expenditure. To this end, it continues to seek funding from a wider pool of potential donors.

7. Fundraising and Alumni Relations

Fundraising is a major part of the role of the Development & Alumni Relations Office, which was established in 2011. The College is registered with the Fundraising Regulator.

Fundraising is primarily focussed on student bursaries, scholarships and awards; projects supporting the student experience; the endowment, for spending over the longer term; or capital grants, to support building or refurbishment projects.

Due to the College's rapid growth over the last 40 years, the College has a limited pool of meaningful philanthropic relationships, both with alumni and non-alumni, of a scale that can make a difference to the College's finances. The priority of the development team therefore remains to grow the College's major gift programme with support from alumni and non-alumni donors, cementing a regular giving programme, enhancing donor stewardship, working on improving organisational systems and processes, and seeking engagement with donor prospects interested in the mission and purpose of the College, its future and its heritage.

In 2020/21 the impact of the COVID-19 pandemic continued to affect the work of the College development team. Staff members were furloughed for much of the year, other roles were vacant for extended periods and the ability to have in person events, meet with alumni face to face or to travel continued to impact of the ability of the fundraising team to cultivate donors or qualify new donor prospects in order to move forward philanthropic relationships. As a result donations totalled £204k, below the £300k forecast.

Fundraising received in the year focused on funding for scholarships and bursaries, hardship and travel grants, an outdoor gym space and improving the student experience provision.

The Development Office has continued to build relationships with the wider membership of St Edmund's and maintains contact details for over 4,600 alumni, of whom more than 50% live outside the UK in over 120 different countries. An e-newsletter is emailed to over 4,000 members three times per year and a Donor Report/Alumni magazine is sent annually to over 500 donors and friends. A reunion weekend for alumni is held each September. COVID-19 restrictions meant that very little in person interaction was possible and the Development team held engagement events online throughout 2020/21, a celebration of women at St Edmund's held on International Women's Day, a gathering of six Senior Tutors past and present and targeted international gathering all proved popular with alumni around the world. A small number of donors and benefactor were able to attend the visit to the College by HRH The Princess Royal.

The College also ran a telephone campaign in September 2020, the second in three months – focussed on alumni living in Europe, Asia, India and Australia. This was focussed on increasing regular giving from alumni. It was a success, drawing on student-callers who welcomed the opportunity to tell alumni about their positive experience of St Edmund's support for them and their families, while they lived and studied in College during the UK's national lock-down. A longer, consolidated campaign calling alumni both in the UK and across the world is planned for next financial year.

In addition to seeking financial and other support for the College, the Development Office is also responsible for broader alumni relations, events and both internal and external communications, social media, and the College website. There have been no formal complaints made about fundraising (0 prior year).

8. Remuneration Policy

No trustee receives any remuneration, or any other benefit, for acting as a trustee of the College. Trustees only receive out-of-pocket expenses, incurred in the course of carrying out their duties as trustees. Outside their role as a Trustee of College, the Master and any Fellow of College may receive such remuneration and any other benefits in respect of any employment, or College Office or College Post, or other post or appointment, as the College's Statutes and Ordinances authorise.

The College has a Remuneration Committee made up of five members of the Governing Body and three non-College members. Among other duties, the Remuneration Committee is charged with the scrutiny and management of College policies on remuneration and benefits payable to the Master and Fellows of the College. These can include: remuneration and benefits; salary and stipends; honoraria, including bonuses; terms & conditions of employment; and any scheme of allowances or benefits, including pensions.

Details of remuneration for key management personnel are outlined on page 31. Details of related party transactions with Trustees are outlined on page 40.

9. Principal Risks and Uncertainties

The College Council is ultimately responsible for identifying and managing the major risks facing the College. The management of risk is delegated in the first instance to certain named personnel including the Bursar, the Head of Facilities and the Governance, Risk and Compliance Manager, and more broadly through specific risk management processes and awareness to all key College stakeholders.

The College seeks to consider risk management in all aspects of its functions, aiming to achieve the appropriate balance between taking the necessary steps to mitigate risk insofar as is possible, whilst maintaining the required focus on the delivery of the College's objectives, a failure to comply with those charitable objectives being in and of itself, a risk concern.

The Council maintains a risk register, together with relevant risk assessment documentation for specific individual purposes. Specifically, the College introduced and, thereafter maintained, a series of policies, procedures and risk assessments as part of its response to the COVID-19 pandemic which inevitably affected all areas of College business. COVID-19 risk documentation remains subject to regular review.

COVID-19 remains the most important risk and uncertainty facing the College. Whilst at the time of writing this report, and in line with the prevailing national position, most behavioural restrictions have been relaxed given the availability of the vaccine and increase in general knowledge and understanding of the virus and its spread, it remains the case that a further spike in infections could have a significant and on-going effect on student numbers, accommodation, investments and fundraising, particularly if the country enters further periods of national 'lockdown'. It also remains a possibility that there are further increases in costs or additional capital works that are needed to lower the risk of infection to those on College premises.

Financial Report of the Trustees

Year ended 30 June 2021

Beyond COVID-19 the principal risks and uncertainties facing the College are:

External political and economic threats: The decision to leave the European Union has the ongoing potential to affect the College adversely because of uncertainty in the following areas: international student recruitment; employment of EU workers; increases in costs e.g. food. Given that the College is highly international, there is a continuing risk that international student numbers could fall as a consequence of the UK's global standing post-Brexit or in response to the UK's foreign and domestic policy toward specific nations. Although the College has concentrations of students from specific countries, with the UK representing 26% of our student population, no other country represents more than 13% of our intake. With over 70 nationalities routinely represented, drawn from over 45 domiciles in FY2020/21, the student body is well distributed by both country and subject area. The College is also part of a globally renowned centre of academic excellence.

Economic factors which might affect the College's source of income: student fees and room rents represent the greatest source of income to the College. Accordingly, achieving our student number targets and maximising our room rental income are both critical to our financial model. There are a number of external factors that could impact upon the College's income as has been recently seen by the Covid-19 pandemic. The demand for accommodation routinely outstrips supply. Fee income is more sensitive to shifts in student numbers and any downward changes in fee structures would have an impact.

Staff pension costs: shifts in pension liabilities can have a significant impact on the College's accounts in a particular year and the College has a number of staff in two defined benefit schemes, USS and CCFPS, both of which are in deficit (see Note 18). As at 30 June 2021 there were 9 staff members in USS (whose salaries represented 13% of the June 2021 payroll) and 2 members of CCFPS (representing 3% of the June 2021 payroll). The College is making deficit reduction contributions to both schemes. The employer contributions to CCFPS increased in 2018 to 24.58% of salary (and will increase to 28.44% from July 2021) and the employer contributions to USS increased in 2019 to 21.1% (October 2019 - September 2021). Consultation is underway with organisations that are members of the USS to agree the way in which the deficit of the fund is recovered. There is a significant risk that contributions to this fund will increase and that there will be a change to benefits.

The CCFPS has been closed to new entrants since the introduction of a defined contribution scheme for non-academic staff in 2014, which helps to manage the risk of the College's liabilities increasing.

The risk of on-going industrial action by academics against the broader University and/or colleges as a result of suggested changes to pension benefits could create unrest in the student body.

Cost of providing support services, buildings and facilities which are of a suitable level to meet the needs of students, staff and members: the cost of providing mental health, welfare and student experience provision is increasing each year across collegiate-Cambridge and St Edmund's needs to ensure it maintains acceptable levels of support to students in comparison with other Colleges. Mount Pleasant Halls has provided extremely attractive, modern accommodation for students, but future refurbishment to an equivalent standard and upgrading of facilities across the remainder of the site, including additional shared space will require new fundraising or other income generation.

Reputational risk. The College's income is intrinsically related to its overall reputation as a centre of academic excellence – both in its own right, and through its status as a constituent College of the University of Cambridge. In addition, the College is reliant upon its reputation in a broader sense as a friendly, welcoming, properly-run, safe and enjoyable institution to be a part of. Should the College's reputation suffer in any respect – whether as the result of a discrete event or issue, or as part of any wider concern in relation to the experience it offers or to its academic prowess – this is highly likely to affect future student application numbers and, accordingly, income.

10. Going concern

The College has undertaken financial modelling work to clarify that it is a going concern. This work considered three scenarios in which the main drivers for income have been assessed based on different outcomes for tuition fees, rents, conference and external events and donations.

11. Progress made during the year and future plans

The College continued to ensure that a safe environment was provide for its members and staff. Further progress was made to ensure as far as possible students had an engaging time while not enjoying the normal full life of College or the University. Virtual programmes were created to engage with students during the various lock downs.

Tutor and academic support for our students continued on-line. The examination results show that our students were able to continue their studies successfully during the year.

Financial Report of the Trustees

Year ended 30 June 2021

During the year a number of new posts were created strengthen the College's delivery of its aims and objectives. In particular to increase the resource delivering our education aim and more generally the governance and management of the College.

The future plans for the College are to support the growth of the University. To prepare for this growth the College is reviewing its processes and procedures to ensure the student experience is an enjoyable one. The areas of finance, IT and Health and Safety will undergo an external review to prepare for growth and manage risk. A review of the physical social space needed to accommodate the proposed increase in College membership began in 2020/21 and will continue into the next academic year.

During 2021/22 the College will update its strategy, its vision and its values. This will help guide the College's growth and activities over the next 5 years. The process will ensure all stakeholders have opportunities to engage in the development of the plan.

St Edmund's College

Corporate Governance

Year ended 30 June 2021

1. The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137454) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Trustees are advised in carrying out their duties by a number of Committees, being in FY2020/21:
 - Academic Agreements
 - Accommodation
 - Board of Discipline
 - Careers and Enterprise
 - Dean's Committee
 - Development and Alumni Relations
 - Estates
 - Ethics
 - Faraday Institute
 - Finance and General Purposes
 - Investment
 - Library
 - Nominations
 - Remuneration
 - Shackle
 - Staff Re-grading
 - Statutes and Ordinances
 - Stewards
 - Tutorial
 - Von Hugel Institute
 - Wellbeing and Safety
 - Wine
 - Woolf Institute
 - Works of Art
4. The principal College Officers are the Master, Vice-Master, Bursar, Senior Tutor, Dean and Development Director.
5. It is the duty of the Finance & General Purposes Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College Officers, the Second Bursar, other appropriate members of the Governing Body, and two officers of the Combination Room.
6. There is a Register of Interests of Trustees and Governing Body members. Declarations of interest are made routinely at all Governing Body, Council and committee meetings.
7. The College's Trustees during the year ended 30 June 2021 are set out on page 1.

Statement of Internal Control

Year ended 30 June 2021

1. The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Council and Governing Body are responsible, in accordance with the College's Statutes.
2. 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.
3. The systems of internal control are designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.
4. The Trustees' review of the effectiveness of the system of internal control is informed by the work of the various Committees, 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.



Mr Graham Watson
Bursar

13th December 2021

St Edmund's College

Statement of Responsibilities of the College's Charity Trustees

Year Ended 30 June 2021

The Council in conjunction with the Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 those financial statements the Council in conjunction with the Governing Body is required to:

- Select suitable accounting policies and 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 Council in conjunction with the Governing body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and to 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.

Mr Graham Watson
Bursar

13th December 2021



Opinion

We have audited the financial statements of St Edmund's 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 College 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 Council 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 Financial Report to the Council and Governing Body.

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 the Council

As explained more fully in the responsibilities of the Statement of the Responsibilities of the College's Charity Trustees set out on page 14, the Council 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 Council 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 Council 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 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/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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

16 December 2021

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

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 that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

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

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments which are included at valuation.

Going Concern

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2021 year-end up to financial year end 2023. The College has also set a detailed budget plan for the financial year 2021/22. These financial plans demonstrate that the College has sufficient resources to meet liabilities as they fall due. The Trustees considers preparation of these financial statements using a going concern basis to be appropriate.

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) Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised with the Statement of Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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.

c) 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.

d) Research Grant income

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

St Edmund's College

Statement of Principal Accounting Policies

Year Ended 30 June 2021

e) Other income

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

f) Cambridge Bursary Scheme

In 2019-20, 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 £35,212 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£191,200
Expenditure	£226,412

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contract, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

Tangible fixed assets

a) Land and Buildings

Buildings are stated at deemed replacement cost less accumulated depreciation and are depreciated over the remaining useful life.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Leasehold land is depreciated over the remaining life of the lease (91 years at 30.6.14).

Additions to buildings are depreciated on a straight line basis over their expected useful lives as follows:

Structure	100 years
Internal finishes	35 years
Mechanical and electrical	35 years

The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £500 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10% per annum
Motor vehicles and general equipment	10% per annum
Computer equipment	33% per annum.

Leased assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the change in the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

b) Maintenance of premises

The cost of major refurbishment and maintenance over £500 which restores value is capitalised and depreciated over the expected useful economic life of the asset concerned.

d) Heritage assets

The College does not hold any assets that should be classed as heritage assets.

b) Works of Art

Works of art are included at fair value. They are not depreciated since their useful life cannot be determined.

Investments

Investments are included in the balance sheet at their fair 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, and 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.

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 and cash and cash equivalents. 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 and bank 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.

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

Taxation

The College is a registered charity (number 1137454) and also a charity within the meaning of Section 467 of the Corporation Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 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

Employer pension contributions into a defined contribution scheme with Aviva are recognised as an expense in the year salary has been paid.

The College participates in two defined pension schemes: the University Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The USS is a multi-employer scheme and given the mutual nature of the scheme, the College is unable to identify individual employers' shares of assets and liabilities. The College therefore accounts for cost as a defined benefit scheme. However because the scheme is in deficit and a funding plan has been agreed the College recognises a liability for the contributions payable that arise from the agreement to fund the scheme and the resulting expenses in the Statement of Comprehensive Income and Expenditure. The College uses a deficit modeller produced by USS to calculate this amount.

For the CCFPS, the College accounts for the increase in liabilities as an actuarial loss in the Statement of Comprehensive Income and Expenditure. The College uses a valuation provided by Cartwright Ltd, prepared for the CCFPS management committee using assumptions stated in note 25.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

Reserves

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity.

Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

Statement of Principal Accounting Policies

Year Ended 30 June 2021

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.

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.

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 10.

The finance lease liability and corresponding assets held under the 47-year lease for Mount Pleasant Halls are included in these accounts at the present value of the minimum lease payments. The future lease payments are subject to an inflationary increase. Under UK accounting standards, the RPI increase is deemed to be a conditional rental payment and conditional rental payments do not form part of the minimum lease payments. Therefore, future RPI increases have not been included in the finance lease liability recognised in the financial statements. Management have assumed that inflation will be 1.5% throughout the life of the lease.

The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

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 25.

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 2027. 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 25.

St Edmund's College

Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2021

	note	2020/21			2019/20				
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	2,579	6		2,585	2,410	24		2,434
Accommodation, Catering and conferences	2	3,652			3,652	3,401			3,401
Other investment income	3	241	65		306	232	59		291
Other Income	4	66	27		93	95	70		165
Total income before donations and endowments									
		6,538	98		6,636	6,138	153		6,291
Donations									
Colleges grant fund	5	101	103		204	98	174		272
New endowments		1,088			1,088	920			920
Total Income		7,727	201		7,928	7,156	327		7,483
Expenditure									
Education	6	2,632	119		2,751	2,435	222		2,657
Accommodation, catering and conferences	7	4,924			4,924	4,454			4,454
Other expenditure		112	28		140	59	4		63
Total Expenditure	8	7,668	147		7,815	6,948	226		7,174
Surplus before other gains and losses		59	54		113	208	101		309
Gains/(loss) on investments				1,390	1,390			(183)	(183)
Surplus/(deficit) for the year		59	54	1,390	1,503	208	101	(183)	126
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes		76			76	(102)			(102)
Total comprehensive income for the year		135	54	1,390	1,579	106	101	(183)	24

St Edmund's College

Statement of Changes in Reserves

Year Ended 30 June 2021

	Endowment £000	Restricted £000	Unrestricted £000	Total £000
Balance at 1 July 2020	17,995	708	22,225	40,928
Surplus/(deficit) from income and expenditure account	1,390	54	59	1,503
Other comprehensive income			76	76
Transfers				
Balance at 30 June 2021	19,385	762	22,360	42,507
Balance at 1 July 2019	18,127	635	22,142	40,904
Surplus/(deficit) from income and expenditure account	(183)	101	208	126
Other comprehensive income			(102)	(102)
Transfers	51	(28)	(23)	0
Balance at 30 June 2020	17,995	708	22,225	40,928

St Edmund's College

Balance Sheet

As at 30 June 2021

	Note	2021 £000	2020 £000
Non-current assets			
Tangible assets	10	80,769	81,519
Investments	11	9,188	7,831
Total non-current assets		89,957	89,350
Current assets			
Stocks	12	23	33
Debtors	13	324	481
Cash	14	3,338	3,176
Total current assets		3,685	3,690
Creditors: amounts falling due within one year	15	(2,292)	(2,772)
Net current assets/(liabilities)		1,393	918
Total assets less current liabilities excluding pension liability		91,350	90,268
Creditors: amounts falling due in more than one year	16	(48,234)	(48,570)
Pension liability	18	(609)	(770)
Total net assets		42,507	40,928
Represented by:			
		2021 Total £000	2020 Total £000
Restricted reserves			
Endowment	19	19,385	17,995
Restricted expendable endowment	20	762	708
Unrestricted reserves			
General reserves		22,360	22,225
Total Funds		42,507	40,928

The financial statements were approved by the Council and Governing Body 29 November 2021 and are signed on their behalf by:



Mr Graham Watson
Bursar

13-12-21

St Edmund's College**Cash Flow Statement****For the Year Ended 30 June 2021**

	Note	2021 £000	2020 £000
Net cash inflow from operating activities	21	2,649	4,681
Cash flows from investing activities	22	53	(2,322)
Cash flows from financing activities	23	(2,540)	(2,607)
Cash inflow before management of liquid resources		162	248
Cash and cash equivalents at beginning of the year		3,176	3,424
Cash and cash equivalents at end of the year		3,338	3,176

The notes on pages 28 to 40 form part of these accounts

St Edmund's College

Notes to the Accounts

For the Year Ended 30 June 2021

1. Academic Fees and Charges	2021	2020
	£000	£000
College Fees:		
Fee Income paid on behalf of Undergraduates at the Publicly-funded		
Undergraduate rate (per capita rate £4,500/£4,625)	372	369
Privately-funded Undergraduate Fee Income (per capita fee £7,000 to £9,300)	465	477
Fee income on behalf of Postgraduates as an agreed share of University fees		
(per capita rate £4,069)	1,457	1,278
	<u>2,294</u>	<u>2,124</u>
Cambridge Bursary	191	209
Vice-Chancellors award	52	40
Other income	48	61
Total	<u>2,585</u>	<u>2,434</u>
2. Income from Accommodation, Catering and Conferences	2021	2020
	£000	£000
Accommodation		
College members	1,601	1,982
External Rents	1,865	822
Conferences		339
Catering		
College members	186	214
Conferences		44
Total	<u>3,652</u>	<u>3,401</u>
3. Endowment and Investment Income	2021	2020
	£000	£000
Analysis		
Quoted securities	303	272
Fixed interest securities		
Other interest receivable	3	19
Total	<u>306</u>	<u>291</u>
4. Other Income	2021	2020
	£000	£000
Research grants received	41	98
Transfer (from)/to deferred income		
Furlough claims	52	67
Total	<u>93</u>	<u>165</u>
5. Donations	2021	2020
	£000	£000
Unrestricted donations	101	98
Restricted donations	103	174
Total	<u>204</u>	<u>272</u>

St Edmund's College

Notes to the Accounts

For the Year Ended 30 June 2021

6. Education Expenditure	2021 £000	2020 £000
Teaching	766	728
Tutorial	579	527
Admissions	242	205
Research	167	200
Scholarships and awards	480	557
Other educational facilities	517	440
Total	2,751	2,657

Included within Scholarships and Awards are payments under the Cambridge Bursary Scheme amounting to £226,412 (2020: £241,725).

7. Accommodation, Catering and Conferences Expenditure	2021 £000	2020 £000
Accommodation		
College members	4,294	3,285
Conferences	3	341
Catering		
College members	572	603
Conferences	55	225
Total	4,924	4,454

8a. Analysis of 2020/21 Expenditure by Activity

	Staff costs (note 9) £000	Other operating expenses £000	Dep'n £000	Total £000
Education	1,217	1,348	186	2,751
Accommodation, catering and conferences	855	3,221	848	4,924
Other	78	60	2	140
Total	2,150	4,629	1,036	7,815

Expenditure includes fundraising costs of £92,996 (2020: £111,086). This expenditure does not include the costs of alumni relations.)

8b. Analysis of 2019/20 Expenditure by Activity

	Staff costs (note 9) £000	Other operating expenses £000	Dep'n £000	Total £000
Education	1,168	1,320	169	2,657
Accommodation, catering and conferences	741	2,923	790	4,454
Other	54	7	2	63
Total	1,963	4,250	961	7,174

8c. Auditors' remuneration	2021 £000	2020 £000
Other operating expense include:		
Audit fees payable to the College's external auditors	21	18
Other fees payable to the College's external auditors		

9. Staff	College Fellows £000	Other Academic £000	Non Academic £000	Total 2020 £000	Total 2020 £000
Staff costs:					
Emoluments	565	160	1,185	1,910	1,710
Social security costs	40	6	96	142	137
Other pension costs (note 24)	47	13	38	98	116
	<u>652</u>	<u>179</u>	<u>1,319</u>	<u>2,150</u>	<u>1,963</u>
		Number of Fellows	Full-time equivalents		2020 No.
Average staff numbers					
Academic		65	17		15
Non-academic		4	43		47
		<u>69</u>	<u>60</u>		<u>62</u>

The Council comprises the Master and 12 Fellows, of whom 8 are stipendiary. The trustees receive no emoluments in their role as trustees of the Charity.

The number of officers and employees of the College who received remuneration in the following range £100,001 - £110,000: 0 (2020:1)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. A subset of Council members fulfil these functions for The College. Aggregated emoluments paid to members of the College Council:

	2021 £000	2020 £000
Key management personnel	323	245

Tangible Assets

10.

Group and College	Land & Buildings £000	MPH Land & Buildings £000	Works of Art £000	Equipment £000	2021 Total £000	2020 Total £000
Cost						
At beginning of year	42,555	42,762		1,259	86,576	43,065
Additions at cost	226		33	25	285	43,511
Disposals						
At end of year	<u>42,781</u>	<u>42,762</u>	<u>33</u>	<u>1,284</u>	<u>86,861</u>	<u>86,576</u>
Depreciation						
At beginning of year	3,766	255		1,036	5,057	4,096
Charge for the year	652	320		63	1,036	961
Eliminated on disposal						
At end of year	<u>4,418</u>	<u>575</u>		<u>1,098</u>	<u>6,092</u>	<u>5,057</u>
Net book value						
At end of year	<u>38,363</u>	<u>42,187</u>	<u>33</u>	<u>186</u>	<u>80,769</u>	<u>81,519</u>
At beginning of year	<u>38,788</u>	<u>42,507</u>		<u>223</u>	<u>81,519</u>	<u>38,969</u>

St Edmund's College

Notes to the Accounts

For the Year Ended 30 June 2021

The insured value of Freehold Land and Buildings as at 30 June 2021 was £41,670,825 (2020: £41,055,000). The net book value of fixed assets includes an amount of £42,187,000 (2020: £42,507,000) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £320,340 (2020: £254,645).

11. Fixed Asset Investments	2021 £000	2020 £000
Balance at beginning of year	7,831	6,150
Additions		1,864
Disposal	(33)	
Net gains	1,390	(183)
Increase in cash balances held at fund managers		
Balance at end of year	<u>9,188</u>	<u>7,831</u>
Represented by:		
Quoted Securities	9,188	7,798
Works of art		33
Cash with investment managers		
	<u>9,188</u>	<u>7,831</u>
12. Stocks	2021 £000	2020 £000
Other stocks	<u>23</u>	<u>33</u>
13. Debtors	2021 £000	2020 £000
Members of the College	193	357
Other debtors		
Prepayments and accrued income	131	124
	<u>324</u>	<u>481</u>
14. Cash	2021 £000	2020 £000
Bank deposits		
Current accounts	3,338	3,176
	<u>3,338</u>	<u>3,176</u>
15. Creditors: Amounts Failing Due within one year	2021 £000	2020 £000
Bank Loan	529	529
Trade Creditors	127	72
Members of the College	530	543
Other creditors	446	1,186
Accruals & deferred income	660	442
	<u>2,292</u>	<u>2,772</u>

16. Creditors: Amounts Falling Due after more than one year

	2021	2020
	£000	£000
Bank loans	4,375	4,904
Lease liability MPH	42,758	42,541
Lease Premium	1,101	1,125
	<u>48,234</u>	<u>48,570</u>

The bank loan is being repaid in quarterly instalments; the final repayment is due in 2031. The loan is secured over Benet House and other College property. Interest is payable at an average of 6.01%.

The lease liability is for Mount Pleasant Hall, being a 47 year lease calculated using an incremental borrower's rate of 4.5%. The initial lease liability has been calculated using the present value of future minimum lease payments assuming an annual RPI increase of 1.5%. The lease is subject to an annual review of RPI and lease payments will increase by changes to RPI. The RPI element of the lease charge is a conditional rental payment and therefore does not form part of the minimum lease payments. Increases in the RPI element in excess of 1.5% are therefore not included in the lease liability recognised on the balance sheet.

The lease liability has been calculated on a base lease charge of £1,673,300 per annum assuming an RPI increase of 1.5%. On this basis, the assumed lease charge for financial year 2021/22 is £1,724,196. The actual lease charge for the year is £1,748,196. The additional charge not recognised on the balance sheet of £23,468 will be incurred for the remainder of the lease and will be subject to future RPI increase. The value of this in real terms is £1,079,528.

17. Financial Instruments

Financial assets	2021	2020
	£000	£000
Financial assets that are equity instruments measured at cost less impairment		
Other equity investments:	9,188	7,798
Financial liabilities		
Financial liabilities measured at amortised cost		
Finance Lease	42,758	42,541

18. Pension Liability Group and College

	2021	2020
	£000	£000
CCFPS		
Balance at beginning of year	519	409
Movement in year:		
Current service cost	21	23
Contributions	(22)	(24)
Finance Cost	8	9
Actuarial loss/(gain)	(76)	102
Balance at end of year	<u>450</u>	<u>519</u>
USS		
Balance at beginning of year	251	308
Movement in year:		
Contributions	(9)	(9)
Change in the expected contribution	(85)	(53)
Finance Cost	2	5
Balance at end of year	<u>159</u>	<u>251</u>
Pension liabilities at beginning of year	<u>770</u>	<u>717</u>
Pension liabilities at end of year	<u>609</u>	<u>770</u>

St Edmund's College

Notes to the Accounts

Year Ended 30 June 2021

19. Endowments College	Unrestricted Permanent £000	Restricted Permanent £000	2021 Total £000	2020 Total £000
Balance at beginning of year:	<u>16,280</u>	<u>1,715</u>	<u>17,995</u>	<u>18,127</u>
New endowments received				
Net transfers				51
Increase in market value of investments	1,091	299	1,390	(183)
Balance at end of year	<u>17,371</u>	<u>2,014</u>	<u>19,385</u>	<u>17,995</u>
Representing				
Fellowship Funds			1,248	1,158
Scholarship Funds			124	115
Prize Funds			40	37
Hardship Funds			264	245
Bursary Funds			42	39
Other Funds			291	185
General endowments			17,376	16,281
Group Total			<u>19,385</u>	<u>17,995</u>
20. Restricted Reserves	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2021 Total £000	2020 Total £000
Reserves with restrictions				
Balance at beginning of year				
Capital		371	371	296
Accumulated income	337		337	339
New grants VHI		27	27	70
New grants other				
New donations VHI		2	2	6
New donations other		99	99	168
Investment income VHI	7		7	6
Investment income other	57	1	58	53
Other income		6	6	32
	<u>64</u>	<u>136</u>	<u>200</u>	<u>327</u>
Expenditure VHI		(25)	(25)	(70)
Expenditure other		(121)	(121)	(155)
		<u>(147)</u>	<u>(147)</u>	<u>(226)</u>
Transfers				(28)
Balance at end of year			-	-
Capital	-	361	361	371
Accumulated income	<u>401</u>		<u>401</u>	<u>337</u>

Notes to the Accounts

Year Ended 30 June 2021

Representing		
Fellowship Funds	251	211
Scholarship Funds	53	84
Prize Funds	15	12
Hardship Funds	112	104
Bursary Funds		2
Other Funds	331	295
Group Total	762	708

21. Reconciliation of operating surplus to net cash inflow from operating activities	2021 £000	2020 £000
Surplus/(deficit) on continuing operation	1,579	24
Adjustment for non-cash items		
Depreciation of tangible fixed assets	1,036	961
Investment Asset appreciation	(1,390)	183
Decrease/(increase) in Stocks	10	1
Decrease/(increase) in Debtors	158	(247)
Increase/(decrease) in Creditors	(504)	2,139
Pension costs less contributions payable	(161)	53
Adjustment for investing or financing activities		
Investment Income	(306)	(291)
Interest payable	2,228	1,858
Net cash inflow from operating activities	2,649	4,681
22. Cash flows from investing activities	2021 £000	2020 £000
Returns on investments and servicing of finance		
Investment income	306	291
Payments made to acquire non-current assets	(253)	(2,613)
	53	(2,322)
23. Capital expenditure and financial investment	2021 £000	2020 £000
Interest Paid	(312)	(342)
Finance lease rental payments	(1,699)	(1,737)
Repayment of amounts borrowed	(529)	(528)
Total cash flows from financing activities	(2,540)	(2,607)

24. Reconciliation and analysis of net debt

	At 1 July 2020	Cash flows	Other non- cash changes	At 30 June 2021
	£000	£000	£000	£000
Cash and cash equivalents	3,176	162		3,338
Borrowings:				
Amounts falling due within one year				
Secured loans	(529)	528	(528)	(529)
Obligations under finance leases	2,647	690	(528)	2,809
Borrowings:				
Amounts falling due after more than one year				
Secured loans	(4,904)		529	(4,375)
Obligations under finance lease	(42,541)	1,699	(1,916)	(42,758)
	(47,445)	1,699	(1,387)	(47,133)
Total	(44,798)	2,389	(1,915)	(44,324)

25. Pension Schemes

The College's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the period was £97,558 (2020: £116,454).

University Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the income and expenditure account 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 therefore an expense is recognised.

Critical accounting judgements

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 that provided by 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 is recognised in the income and expenditure account in accordance with section 28 FRS102. The Trustees are satisfied that the scheme provided by USS 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 financial statements.

25. Pension Schemes cont'd

Pension Costs

At the financial year end the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2018 (the valuation date). This was carried out using the projected unit method. A valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 14 October 2021. As the new valuation had not been completed by 30 June 2021, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022. See note 30 for details of the changes.

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 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 fund ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More details are set out in the Statement of Funding Principles.

Pension increases (CPI) Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% pa.

Discount rate(forward rates) Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%
Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
Years 21 +: CPI + 1.55%

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:

	2018 valuation
Mortality base table	<u>Pre-retirement</u> 71% of AMCOO (duration 0) for males and 112% of AFC00 (duration 0) for females. <u>Post retirement:</u> 97.6% of SPAS S1NMA 'light' for males and 102.7% of RFV)) for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8%.pa for males and 1.6% 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

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 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	0%	2.00%

25. Pension Schemes cont'd

Cambridge Colleges Federated Pension Scheme

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme (CCPFS).

The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee acting as Trustee of the CCPFS, at 31 March 2020 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	June 2021 % p.a.	June 2019 % p.a.
Discount rate	1.80	1.45
Increase in salaries	3.10	2.70
RPI assumption	3.40	3.10
CPI assumption	2.60	2.20
Pension increased in payment (RPI Max 5% p.a.)	3.30	3.00
Pension increases in payment (CPI Max 2.5% p.a.)	1.95	1.70

The underlying mortality assumption is based upon the standard table known as S3PA of a year of birth usage with CMI_2020 future improvements 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 CMU_2019 with future improvement factors and a long-term future improvement rate 1.25% p.a.), a standard smoothing factor (7.0) and no allowance for additional improvements. This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years)
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 years)
- Male age 45 now and retiring in 20 years would have a life expectancy the of 23.2 years (previously 23.2 years)
- Female age 45 now and retiring in 20 years would have a life expectancy the of 25.7 years (previously 25.6 years)

Employee Benefit Obligations

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

	2021 £000	2020 £000
Present value of Scheme liabilities	(1,350)	(1,360)
Market value of Scheme assets	900	841
Deficit in the Scheme	(450)	(519)

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

	2021	2020
Current service cost	21	23
Interest on Scheme liabilities	8	10
Past service cost	-	-
Curtailment gain	-	-
Total	29	33

25. Pension Schemes cont'd

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

	2021	2020
Present value of plan liabilities at beginning of period	1,360	1,189
Current service cost including Employee contributions	19	22
Benefits paid	(22)	(22)
Interest on plan liabilities	20	27
Actuarial losses/(gains)	(27)	144
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
Present value of Scheme liabilities at end of period	1,350	1,360

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

	2021	2020
Market value of Scheme assets at beginning of period	841	780
Contributions paid by the College	23	25
Employee contributions	3	4
Benefits paid	(29)	(29)
Interest on plan assets	12	17
Return on assets, less interest included in Profit & Loss	50	44
Market value of Scheme assets at end of period	900	841
Actual return on plan assets	62	61

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

	2021	2020
Equities	48%	49%
Bonds & Cash	42%	41%
Property	10%	10%
Market value of Scheme assets at end of period	100%	100%

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

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	2020
	£000	£000
Actual return less expected return on plan assets	50	44
Experience gains and losses arising on Scheme liabilities	8	4
Changes in assumptions underlying the present value of plan liabilities	18	(150)
Actuarial (loss)/gain recognized in OCI	76	(102)

Movement in surplus/(deficit) during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£000	£000
Surplus/(deficit) in plan at beginning of year	(519)	(410)
Recognised in Profit and Loss	(29)	(33)
Contributions paid by the College	22	25
Actuarial gain/(loss) recognised in OCI	76	(102)
Deficit in plan at the end of the year	(450)	(519)

25. Pension Schemes cont'd

Funding Policy

Funding 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 funding valuation are different to those adopted under FRS102.

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

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

- Annual contributions of not less than £7,747 p.a. payable for the period from 21 May to 30 June 2021
- Annual contributions of not less than £12,297p.a. payable for the period from 1 July 2021 to 31 March 2030.

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

26. Related Party Transactions

Owing to the nature of the College's operations and the composition of its Council it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of the Council 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 College Council members and where any member of Council 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.

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

From	To	2021 number	2020 number
£0	£10,000	8	6
£10,001	£20,000	1	
£20,001	£30,000	1	2
£30,001	£40,000		
£40,001	£50,000		
£50,001	£60,000	2	1
£60,001	£70,000		
£70,001	£80,000	2	
£80,001	£90,000		1

The total Council salaries were £306,065 for the year (2020: £206,802). The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pension) which totalled £61,985 (2020: £59,036).

27. Future Capital Commitment

No capital commitments existed at the year end.

28. Contingent liability

A contingent liability exists in relation to the pension valuation recovery plan, since The College is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the company's expenditure is similarly not recognised.

29. Subsidiary

The College owns the whole of the ordinary share capital of ED Developments Limited, a company which is registered in England and Wales. Its principal historic activity was that of general construction. The College has taken advantage of the exemption within section 33 of FRS 102 not to disclose transactions with wholly owned group companies that are related parties.

The College has one dormant subsidiary undertakings which is 100% owned by the College and is registered in England and Wales.

30. 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 £261,081 in the provision for the obligation to fund the deficit on the USS pension which would instead be £420,643. 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 £529,036 in the provision for the obligation to fund the deficit on the USS pension which would instead be £688,598.