



QUEENS' COLLEGE, CAMBRIDGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2022

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FOR THE YEAR ENDED 30th JUNE 2022

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QUEENS' COLLEGE, CAMBRIDGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30th JUNE 2022

The full name of the College is “The Queen’s College of St Margaret and St Bernard, commonly called Queens’ College in the University of Cambridge”. The College is a corporate body consisting of the President, Fellows and Scholars.

The Governing Body, which consists of the President and the Fellows, with four student observers, holds at least six meetings each year. The Governing Body met ten times in the year to which this report relates. The President, Professorial Fellows and Official Fellows are the voting members of the Governing Body and, since the Governing Body exercises general control and management of the College, its voting members are the trustees of the charity.

*President

Dr M A El-Erian

Life Fellows

Prof. A C Spearing

Dr B A Callingham

Prof. J E Carroll

Revd Dr B L Hebblethwaite

Dr J T Green

Dr W A Phillips

Prof. A. N. Hayhurst

Dr C J Pountain

Prof. Lord Oxburgh, KBE FRS FREng

Prof. J Diggle, FBA

Prof. K F Priestley

Revd Dr J M Holmes

Dr H J Field

Dr C N Pitelis

Dr A D Cosh

Prof. D R Ward

Prof. J L Scott

Dr M J Milgate

Dr I K Patterson

Dr E G Kahrs

Prof. Lord Eatwell

Dr R D H Walker

Prof. A N Lasenby³

*Professorial Fellows

Prof. E A H Hall, CBE

Prof. A N Lasenby²

Prof. D.K. Menon

Prof. R W Prager, FREng

Prof. N D Lawrence

Prof M Guillén³

Prof L Reisch³

*Official Fellows

Prof. R R Weber

Prof. J A Jackson, CBE FRS

Prof. R G Fentiman QC Hon Causa

Prof. P H Haynes, FRS

Prof. D Cebon, FREng

Prof. R L Jones

Prof. A H Gee

Prof. J W F Allison

Prof. B J Glover

Prof. R A W Rex

Prof. C E Bryant

Prof. M P V Crowley

Prof. J C Muldrew

Prof. J W P Campbell

Dr H R N Jones

Prof. M J Dixon

Dr A C Thompson

Prof. J R Gog

Prof. A A Seshia

Prof. E M Terentjev

Prof. I Sitaridou

Dr A Zurcher

Dr A M Rossi

Mr J Spence

Dr G J McShane

Prof. M Edmonds

Prof. H J Stone

Dr J J Maguire

Dr G M Fraser³

Dr L S Tiley

Dr T S Butlin

Prof. R Nickl

Dr J W Kelly²

Mr S J Price

Prof. A C Rice⁴

Dr E Moyroud

Dr D J Butterfield

Dr A Paterson

Dr E Gallo²

Dr M E B Tait

Dr F I Paddeu

Mr R M C Kitt

Revd T C Harling

Dr S Haggarty

Prof. C J Bickerton

Dr C Brendon

Dr D J Parker

Dr G Denyer Willis

Dr E McPherson

Dr C Warnick

Prof. A Beresford

Dr G Atkins

Prof. A Marsham

Dr J Blundell

Dr T Denmead

Dr P McMurray

Mr A D Bainbridge

Dr J Garrison

Revd M Bayliss

Dr C Peñasco Patón³

Dr S Williams¹

Dr E Webster⁷

Bye-Fellows

Dr A D Challinor

Dr G H Treece

Prof. A C Rice⁵

Dr R M Faragher

Dr T Forster

Dr T J Eggington

Dr J R Bellis

Dr C Hill²

Dr A Schmidt⁴

Dr A C Bonner

Dr P Bambrough

Dr C Clark

Dr L Davies

Dr C Peñasco Patón²

Dr J Jahić⁸

Dr C Mishra⁸

Research Fellows

Dr C Penney⁶

Dr C Proudman²

Dr R Lawlor

Dr R Van Rosenberg

Dr E Noterman

Emeritus Fellows

Dr A M W Glass

Prof. J Russell

Prof. A M Gamble

Dr J W Kelly³

¹ From 1 September 2021

² To 30 September 2021

³ From 1 October 2021

⁴ To 31 December 2021

⁵ From 1 January 2022

⁶ To 29 March 2022

⁷ From 1 April 2022

⁸ From 25 April 2022

* Charity Trustees

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FOR THE YEAR ENDED 30th JUNE 2022

Senior Officers

President	Dr M A El-Erian
Vice-President	Professor M Edmonds
Senior Bursar	Mr J Spence
Senior Tutor	Dr A C Thompson

PRINCIPAL COMMITTEES

Bursarial Committee

Dr M A El-Erian, President
Professor M Edmonds, Vice-President
Mr J Spence, Senior Bursar
Mr A D Bainbridge, Domestic Bursar
Dr A C Thompson, Senior Tutor
Mr R M C Kitt, Development Director
Dr D J Butterfield
Professor E A H Hall
Professor R L Jones
Professor A D Marsham
Dr E Moyroud
Dr F I Paddeu
Professor R A W Rex
Professor A C Rice
Professor I Sitaridou
Professor R R Weber

Fellowships Committee

Dr M A El-Erian, President
Dr A C Thompson, Senior Tutor
Mr J Spence, Senior Bursar
Professor B J Glover
Professor P Haynes
Professor R W Prager
Professor E Terentjev
Professor M P V Crowley
Dr G Denyer Willis
Dr A M Rossi
Dr A Zurcher
Dr M E B Tait
Professor L Reisch

Investments Committee

Dr M A El-Erian, President
Professor M Edmonds, Vice-President
Mr J Spence, Senior Bursar
Professor M J Dixon, Dean of College
Professor D Cebon
Professor A H Gee
Professor R R Weber
Mrs A Koerling (Queens' Alumna)
Mr A Pomfret (Queens' Alumnus)

Teaching and Learning Committee

Dr A C Thompson, Senior Tutor
Dr J R Garrison, Admissions Tutor
All Directors of Studies of the College
Tutors charged with Admissions
Admissions Co-ordinator
Graduate Administrator

Tutorial Committee

Dr M A El-Erian, President
Dr A C Thompson, Senior Tutor
Professor M J Dixon, Dean of College
All Tutors of the College
Revd T C Harling, Dean of Chapel
Mr A D Bainbridge, Domestic Bursar

Graduate Committee

Professor E A H Hall
Deputy Senior Tutor/Senior Tutor
All Graduate Tutors of the College
Mr A D Bainbridge, Domestic Bursar
Student Support Team Representative
Representative for part-time courses
MCR President
MCR Secretary/Vice President
Post-Doctoral Research Associates Convenor
MPhil Representative
Graduate Administrator

QUEENS' COLLEGE, CAMBRIDGE

REFERENCE AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 30th JUNE 2022

GOVERNING BODY ATTENDANCE LIST 2021 - 2022

ON LEAVE 2020-2021:

Prof James Jackson (Easter 2021)
Prof Roderic Jones
Prof Craig Muldrew
Prof Julia Gog
Dr Laurence Tiley
Dr James Kelly

ON LEAVE 2021-2022:

Prof Roderic Jones
Dr Graham McShane
Dr Tore Butlin
Dr Charles Brendon
Dr Ella McPherson
Dr Tyler Denmead
Dr Peter McMurray
Prof Sitaridou (Michaelmas 2021)
Dr Claude Warnick (Michaelmas 2021)
Prof Denyer Willis (Michaelmas 2021 and Lent 2022)
Prof Andrew Marsham (Michaelmas 2021 and Lent 2022)
Prof Glover (Lent 2022)
Dr Federica Paddeu (Lent 2022)
Prof Richard Nickl (Easter 2022)

Ten Governing Body Meetings took place between 1 July 2021 – 30 June 2022.
Fellows' attendance was recorded as follows:

Dr M A El-Erian	10/10	Prof. E M Terentjev	9/10	Prof C J Bickerton	5/10
Prof R R Weber	10/10	Prof I Sitaridou	5/7	Dr C Brendon	1/1
Prof J A Jackson	4/9	Dr A Zurcher	10/10	Dr D J Parker	10/10
Prof R G Fentiman	6/10	Dr A M Rossi	7/10	Dr G Denyer Willis	3/3
Prof P H Haynes	9/10	Mr J Spence	9/10	Dr E MacPherson	0/1
Prof D Cebon	5/10	Dr G J McShane	1 /1	Dr C Warnick	6/7
Prof E A H Hall	9/10	Prof H J Stone	6/10	Prof A Beresford	9/10
Prof R W Prager	5/10	Prof M Edmonds	10/10	Dr G Atkins	9/10
Prof A N Lasenby	1/1	Dr J J Maguire	10/10	Prof A Marsham	4/4
Prof A H Gee	9/10	Dr L Tiley	9/9	Dr J Blundell	5/10
Prof J W F Allison	8/10	Dr T Butlin	1/1	Dr T Denmead	1/1
Prof B Glover	2/7	Prof R Nickl	4/7	Dr P McMurray	1/1
Prof R A W Rex	7/10	Mr S J Price	9/10	Mr A D Bainbridge	10/10
Prof C E Bryant	6/10	Prof. A C Rice	4/4	Dr J Garrison	10/10
Prof J C Muldrew	6 /9	Dr E Moyroud	9/10	Revd M Bayliss	9/10
Prof M P V Crowley	8/10	Dr D J Butterfield	10/10	Dr C Peñasco Patón	6/10
Prof J W P Campbell	6/10	Dr A Paterson	8/10	Prof N D Lawrence	3/10
Dr H R N Jones	9/10	Dr E Gallo	0/1	Prof L Reisch	7/10
Prof M J Dixon	9/10	Dr M E B Tait	6/10	Prof M Guillén	7/10
Prof D K Menon	4/10	Dr F I Paddeu	6/7	Dr S Williams	6/10
Prof J R Gog	7 /9	Mr R M C Kitt	10/10	Dr G Fraser	2/9
Dr A C Thompson	10/10	Revd T C Harling	10/10	Dr E Webster	2/3
Prof A A Seshia	8/10	Dr S Haggarty	7/10		

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FOR THE YEAR ENDED 30th JUNE 2022

PROFESSIONAL ADVISORS

Auditors

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

Actuaries

Cartwright Group Ltd
Suite 7, 2nd Floor, The Hub, IQ Farnborough
Farnborough
Hampshire
GU14 7JP

Bankers

National Westminster Bank plc
23 Market Street
Cambridge
CB2 3PA

Investment Fund Managers

Heronbridge Investment Management LLP
1 Queen Street
Bath
BA1 1HE

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Property Advisors

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Carter Jonas LLP
6 – 8 Hills Road
Cambridge
CB2 1NH

Solicitors

Mills & Reeve LLP
Francis House
112 Hills Road
Cambridge
CB2 1PH

CHARITY INFORMATION

Charity Registration 1137495

Registered Address Silver Street, Cambridge CB3 9ET

Website www.queens.cam.ac.uk

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

Queens' College, Cambridge is a self-governing academic community and body corporate, comprising the President, Fellows and Scholars and is one of the thirty-one Colleges in the University of Cambridge. The provisions which regulate the purposes and administration of the College are to be found in its Royal Charter, dated 30th March 1448, and its Statutes, as made in 1955 and variously amended from time to time, most recently in 2017.

The Governing Body

The Charity Trustees of the College are the voting members of the Governing Body, being its President, Professorial Fellows and Official Fellows, appointed by the Governing Body in accordance with the Statutes of the College. The membership of the Governing Body is given on page 3 to 5.

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

Under the College Statutes, the Governing Body has the discretion to form committees to consider and to make recommendations to the Governing Body in accordance with the College's Statutes. The Governing Body also has the discretion to delegate powers to committees. The Governing Body has formed a number of committees, the principal ones being:-

- **Bursarial Committee** – to oversee the financial management of the College in accordance with the College Statutes, under the overall direction of the Governing Body. In accordance with the College Statutes, the Senior Bursar, advised by the Bursarial Committee, is responsible for the financial management of the College, subject to the overall direction of the Governing Body. The Bursarial Committee, without the Bursars, acts as an Audit Committee;
- **Investments Committee** – to keep under continual review the investments of the College, against agreed benchmarks, to recommend [and implement] the investment policy approved by the Governing Body, to maintain consultation with the College's financial advisors;
- **Fellowships Committee** – to consider and advise the Governing Body on the general needs of the College in relation to appointments to Fellowships, in all classes, in accordance with the Statutes of the College;
- **Teaching and Learning Committee** - to review all aspects of College teaching and its relationship to University teaching and to make recommendations accordingly to the Governing Body;
- **Tutorial Committee** – to review and consider general issues pertaining to the welfare of students of the College and to advise the Governing Body on all matters of policy pertaining to student welfare; and
- **Graduate Committee** – to review and consider general issues pertaining to all aspects of being a Graduate student within the College.

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These Committees are a key component of the College's system of internal control, which is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the extent and nature of those risks and to manage them efficiently, effectively and economically. These Committees undertake detailed scrutiny of the issues which the Governing Body has placed within their respective remits and this work informs the recommendations each Committee makes to the Governing Body. This process was in place for the year ended 30th June 2022 and up to the date of approval of the financial statements. The Governing Body is responsible for ensuring the effectiveness of the systems of internal control: all the above Committees make regular reports to the Governing Body through the medium of detailed minutes, as well as dedicated reports. During the year, most Governing Body meetings were held remotely via Zoom, although two were held in the Easter Term in a hybrid format.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Senior College Officers and other 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.

Induction and Training of Members of the Governing Body

Upon admission to the Fellowship, new members of the Governing Body receive, inter alia:-

- A copy of the College Statutes
- A copy of the most recent Annual Report and Accounts
- A copy of procedures and policies relating to the College
- An up-to-date list of College Officers, Committees and their membership
- A copy of the Charity Commission's guide to the responsibilities of a Charity Trustee (both the full and summary versions)
- A copy of Being a Trustee (the Charity Commission's easy read guidance, which explains the main things that a Trustee needs to know)
- Copies of minutes of previous meetings of the Governing Body and its principal committees
- A declaration of qualifications to be a Trustee (to be signed and held by the College)
- A list of all diary dates relevant to membership of the Governing Body
- Information about the management of conflicts of interest
- The latest circulars from the Charity Commission
- A copy of the latest Corporate Risk Register

Each new member has an induction meeting with the Senior Bursar, prior to attending a meeting of the Governing Body.

Attendance of Trustees at meeting of the Governing Body during the year is given on page 5.

Key Management

As detailed in note 7 to the accounts, the key management personnel are the President, Senior Bursar and Senior Tutor. These Officers have the authority and responsibility for planning, directing and controlling the activities of the College. These Officers, together with the Vice-President, Admissions Tutor, Deputy Senior Tutor, Domestic Bursar, Dean of College, Dean of Chapel, who is also the Head of Welfare, the Financial Tutor the Development Director and the Chair of the Graduate Committee meet regularly to consider strategic matters and developing issues as they arise to assist in formulating the College's response. During the year this group has met approximately fortnightly during Term.

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Risk Management

The Governing Body is committed to an ongoing policy of identifying, monitoring and managing the risks that might adversely affect the operations, reputation and general well-being of the College. The Bursarial Committee, chaired by the President, usually reviews at least twice each year the operational, financial, regulatory and legal risks facing the College, (including reviewing the Corporate Risk Register) and reports accordingly to the Governing Body. The Governing Body keeps under review the structures to deal with risk and is satisfied that appropriate structures are in place to identify, manage and mitigate the risks faced by the College.

The principal areas of risk faced by the College, and the measures taken to manage them, have been identified by the Governing Body as follows and are covered in detail in the Corporate Risk Register mentioned above:

- **Financial Performance:** Risks to income, expenditure or investment performance as a result of external factors, e.g., a health emergency, change to fee regime, economic downturn, poor investment markets, persistently high inflation and the impact of a health pandemic.

The College has implemented a robust process of budgeting and forecasting to keep costs associated with the College's core activities under constant review in the light of any changes in funding or other income sources. The College's Investments Committee benefits from the expertise of two external members and aims to maintain a diversified portfolio of investment assets to try to minimise the incidence of correlation between asset classes.

- **Academic Staff:** Failure to attract and retain high quality academic staff to deliver the College's teaching and other academic needs.

The College has a strong Fellowship and an ethos of supportive inter-personal relationships within the Fellowship, service from welfare and other support staff and pastoral support arrangements allowing Directors of Study/Supervisors to retain focus on intellectual engagement. The College regularly reviews its stipend structures and benchmarks appropriately within the Collegiate University and is continually monitoring terms and benefits. There is a regular review of teaching needs and engagement in the UTO Scheme, where possible.

- **Student Admissions:** Adverse admissions outcomes in terms of potential, commitment, width of participation and/or compliance failures.

The College has a transparent process with academic criteria uniformly applied across all fields and University-trained interviewers. The College runs an extensive outreach programme aimed at attracting the strongest candidates regardless of socio-economic background.

- **Student Development:** Failure to enable students to flourish academically.

Academic reviews conducted by the students' Directors of Studies, alongside analysis of students' questionnaire feedback by the Senior Tutor. Academic and pedagogical best practice encouraged by regular review, at the Teaching and Learning Committee. Benchmarking against other Colleges via the Senior Tutor's Committee and direct liaison with both the JCR and MCR Committees, Cambridge University Student Union and Graduate Union where necessary. Engagement with the Office for Students as PREVENT regulator.

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- Student Welfare and well-being: Risk of failures of student welfare and/or pastoral support leading to mental health, safeguarding or monetary issues for students.

The College has extensive in-house pastoral and welfare provision together with access to additional external expertise.

- Buildings, Infrastructure and Facilities: Risk of poor-quality accommodation and facilities due to lack of timely investment, unanticipated failures in infrastructure, persistently unset needs or unexpected high building maintenance expenditure.

The condition of the estate is regularly monitored by the Maintenance Department, as well as by reference to maintenance requests and complaints, and there is a continuous programme of maintenance and refurbishment. The IT and other infrastructure is subject to regular review and a rolling investment programme. This is monitored by both the Domus Committee and the Bursarial Committee.

Scope of Financial Statements

The financial statements are a consolidation of the results of Queens' College and its subsidiaries, QC Enterprises Limited and Q College Property Limited, which are both wholly owned by the College. Q College Property Limited has continued to be non-trading during the year. QC Enterprises is the corporate vehicle through which the College undertakes its commercial conference and catering activities, while the College undertakes directly all other accommodation and catering activities. Any financial surplus made by QC Enterprises is donated to the College.

AIMS AND OBJECTIVES OF THE COLLEGE

The College is an institution of higher education. Its purposes are the promotion of study and prayer.

The College has the following aims and objectives:

- to maintain the College's emphasis on the individual in academic and pastoral provision; to deliver an excellent undergraduate education by safeguarding the provision of small-group teaching through the College-based supervision system; and to achieve and maintain the highest standards in education at both undergraduate and postgraduate levels while maintaining welfare support through the dedicated student support team;
- to support a community of Fellows, students and staff, allowing the benefits of a large, internationally renowned University to be realised in a small and close-knit community;
- to promote academic research of the highest quality by Fellows and students; and
- to maintain and enhance the endowments and benefactions, historic buildings and grounds of the College for the benefit of future generations.

Remaining an independent foundation, while forming an integral part of a collegiate university, is fundamental to the College's long-term strategy and well-being. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in contributing to the formulation of University policy.

In pursuit of its aims and objectives, as well as its charitable objects, the College admits (as junior members) undergraduate and graduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its aims and objects and it supports teaching and research in the University. In furtherance of its objects, the College maintains and manages an endowment of property and financial assets. Besides financial and tutorial support, the College also supplies accommodation, catering and other services to its members and others.

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PUBLIC BENEFIT STATEMENT

In accordance with its Royal Charter of 1448, the College's charitable objects are the promotion of study and prayer through the provision of a College in the University of Cambridge.

The College provides, in conjunction with the University of Cambridge, an education for some 503 undergraduate and 427 full-time and 133 part-time postgraduate students (2020/21: 521, 418 and 129 respectively), 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. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems; and
- social, cultural, musical, recreational, and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College additionally advances study through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from outside the University of Cambridge; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including important special collections), so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, as well as external scholars and researchers.

The College carries forward the tradition, continuous since its foundation, of being a place of prayer. In particular, the College:

- Maintains and supports the Chapel as a place of prayer and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and visitors; and
- Supports, through the College Chaplaincy team, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in study.

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However, beneficiaries also include students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The services in the College Chapel are open to the public and are attended by local residents and visitors to Cambridge.

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REVIEW OF OPERATIONS

Students

Queens' admits students who have the greatest potential to benefit from the educational environment provided by the College and the University and it recruits academic staff who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

Undergraduate student applications are shown in the table below, showing the level of diversity of students attending Queens'. About one fifth of undergraduate students are from overseas (including EU) backgrounds:

Applicants in Michaelmas Term 2021

- Number of applicants 976
- Arts 412 or 42%; Science 583 or 58%
- Male 51%, female 49%
- Home 63.5%; overseas 36.5%
- Office for Fair Access (OFFA ***) applicants – maintained sector 427 or 69%; independent sector 193 or 31%

Offers in 2021

- Number of offers 171 (17.5% of applicants)
- State educated 72%, independent educated 28% (of home offers)
- Male 54%, female 46%
- OFFA applicants – 97 offers to maintained sector students from 427 applicants (23%)
- 12 offers made through the pool and 38 of our applicants received offers through the pool

*** OFFA applicants are defined broadly as applicants normally resident within the UK.

The above outcomes are entirely consistent with the College's objectives in respect of admissions.

The College charges the following fees:

- Home undergraduates are charged a combined University and College fee of £9,250, (£9,250 2020-2021), of which the College share is £4,625 (£4,625 2020-2021);
- Undergraduates from overseas are charged a College fee of £9,885 (£9,279 2020-2021);
- Post-graduates are charged a combined University and College fee which varies according to the course. The total fee income is then allocated across Colleges at an equal average rate per student which for 2021-2022 is £4,472 (£4,069 2020-2021); and
- Accommodation and meal charges at reasonable rates.

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Widening Participation

The College's extensive widening participation programmes help young people from backgrounds which are traditionally under-represented at Cambridge to have the confidence and information to apply to top universities, including Cambridge. We work hard to provide age-relevant information and guidance about higher education and, in particular, to demythologise the application process at Cambridge. Work with those in years 12 and 13 targets the application process and supports super-curricular discovery. Key stage 4 students receive advice on A level selection and early preparation, while younger pupils are encouraged to think about the benefits of higher education more generally and to broaden their horizons. We work with teachers and careers advisors to guide them in how our application process works and to identify the qualities that we look for in our students. Our programme includes events for schools and those, such as Open Days, with a focus on individual applicants. Our Admissions team make visits to schools and colleges across the UK, and host groups in Cambridge. We have particularly deep links with Bradford, Kent and the borough of Havering. We update our events programme regularly and are always looking for ways to enhance our offering and to work effectively with external partners. Our programme typically includes visit days, open days, personal statement and interview workshops and residential events. While much of our work this year has continued to be virtual, we have begun to welcome school groups back to Cambridge and our programme of in-person visits to schools is restarting slowly. Among the several ways in which we measure the impact of our outreach work, the growth in applications, and therefore admissions, from schools with which we work closely stands out. Within total admissions and access costs of £0.576 million shown on page 44, £0.221 million was spent on Access and Widening Participation activity in the year. The College continues to regard Widening Participation as an essential activity and will continue to support and enhance it further.

Student Support

In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University and other Colleges bursary support for those of limited financial means. In 2021/2022, 115 undergraduates (out of our 471 Home undergraduates) (2020/2021: 115 and 450 respectively; the latter figure includes EU students for the last time) received such bursaries with a total value of £338,093 (2020/2021: £371,228). The scheme is approved by the Office for Students and provides benefits at a substantially higher level than the minimum OFS requirement. It is widely advertised on the University website, on College websites and in the Admissions Prospectus. The College spent £146,215 on additional bursaries in 2021/2022 (2020/2021: £124,493).

The College also supports all students through a grant scheme open to all to assist with attendance at conferences, and travel grants. In 2021/2022 the College spent £118,039 on this scheme (2020/2021: £16,538).

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship. In 2021/2022 the College made hardship grants totalling £35,233 (2020/2021: £58,784).

Provision of Welfare Support

The Health and Well-being team and Tutors provide specialist and professional care for students of the College. This consists of (although is not restricted to) general pastoral provision, Professional counselling, Cognitive Behavioural Therapy, mental and physical health support, bereavement counselling, eating disorder interventions and a series of programmes to help the move from school to university which brings with it increased independence.

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More mental health issues are reported in today's culture. This may be due to the problem increasing, including due to the Covid pandemic, the reduced stigma in articulating problems, feelings and medical conditions, or a raised expectation that institutions have a responsibility to act and support its members with the conditions they have. Welfare provision that individual Colleges provide are widely compared by students and applicants and is seen as a key indicator of the "student experience".

Students from disadvantaged backgrounds may have additional concerns or issues that require support. Welfare, in this way, is part of the Colleges commitment to increase access for all.

The Health and Well-being team work alongside the Tutors of the College in providing pastoral support to students. Overall responsibility for this activity rests with the Senior Tutor, however the day-to-day management is devolved to the Head of Welfare (operationally) and the Head of Academic and Tutorial Services (administratively).

The Head of Health and Well-being also acts as the College Safeguarding Officer, one of the Harassment and Assault Officers, Police Liaison Officer and Deputy Head of Prevent and Dean of Chapel.

At present (in addition to the above roles) the College employs a part time Clinical Lead (also one of the Harassment and Assault Officers), a part time Mental Health Nurse/Welfare Officer/CBT Counsellor, a part time Welfare Officer and Counsellor, and a Chaplain (part of whose job is as a Welfare Officer). There is also a third Harassment and Assault Officer who can be used in complex cases.

Where more specialist treatment is needed this is organised with professionals on a contracted basis by the Health and Well-being team. This, in the past, has included Psychiatric Services, Psychological practitioners, Scientific Coaching, Essay writing guidance, physical trainers, legal advice and physiotherapists.

Academic Staff

To fulfil its charitable purposes, the College employs College Lecturers, Tutors, Clergy and senior academic and administrative officers. These posts are qualifying offices under the College Statutes. The appointment of Fellows is a result of their employment in a qualifying office which office is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows occurs solely through their employment in a relevant qualifying office by means of salaries, stipends and employment related benefits and is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector, as implemented by the University of Cambridge. Without the employment through qualifying offices of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

The President and Fellows of the College also receive benefits as beneficiaries. These comprise research grants, conference grants, book grants etc. These benefits are provided with the intention of furthering the College's aims. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to other beneficiaries of the College.

Academic Performance

In 2021/2022, 477 (500 2020/2021) undergraduates sat University assessments and examinations. Examinations this year were predominantly traditional timed exams.

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Of those taking 86.1% obtained grades in the First Class or the upper division of the Second Class (or in the undivided Second Class).

Capital Expenditure, Maintenance and Environmental Management

With the backdrop of the COVID recovery, the College has continued to work within sensible financial restrictions, focusing maintenance and project activity on safety related and business critical repairs. Consequently, in 2021/2022 the College spent only £1.234 million in capital projects maintaining and enhancing its buildings.

As two standalone Cripps Court projects, following a £1.25 million restricted donation received in 2020 for works on the Cripps building, a dedicated Postgraduate study space for up to 40 students was created in the Armitage Room. This has transformed the room into an open plan environment for student interaction.

This same donation also led to an in-depth investigation of the Cripps Hall Lantern roof. This has involved installing an ambitious scaffold from Cripps Court, up and over the Armitage Room, and onto the Cripps Hall roof. The scaffold has then been suspended within the Hall, to allow the investigation to take place while the Hall remains operational. Whilst the investigation works took place during 2021, the main body of the work will then commence in July 2022, repairing the glazed shutter system and replacing the roof covering. During the works, the lighting system will be replaced with LED lights to reduce energy usage, and maintenance upkeep, whilst also enhancing the lighting arrangement in the Hall. These works will conclude in Michaelmas 2022.

To meet our Postgraduate accommodation objectives, the College has purchased several new properties near Addenbrookes and Huntingdon Road, using the proceeds of the long-term debt issue referred to on page 22 below, providing suitable student homes near the hospital and West Cambridge. Housekeeping and Maintenance have worked together, standardising the accommodation provision within the College's existing and the new homes, leaving them ready for occupation in summer 2022.

Owlstone Croft has been a major focus of the College's estate planning throughout 2021-22, following a pause on the masterplan of Owlstone Croft in 2020 owing to COVID. The fundamental objectives for this project, is to create a community and homes for our Postgraduate students at Owlstone Croft. Homes which are supported by inspirational study and community space. To enhance the Owlstone Croft site and provide us with an entire site wide masterplan, that meets our educational needs and accommodation objectives. The design is sustainable, and our recognition of how this site needs to blend with the surrounding nature reserve, and within the Newnham community for years to come, has been fundamental to this project.

After forming a professional design team, the College received the concept design in August 2021, which was approved by the Governing Body in October 2021. The Governing Body then received and approved the detailed design in March 2022, taking the project to Cambridge City Council for full planning permission. We hope to receive this by the end of 2022.

A major 2 stage technical project was launched October 2021 in alignment with our Environmental Policy, outlining the College's commitment to act to mitigate its contribution to the climate emergency and crisis in biodiversity. In practical terms, our commitment to reducing the College's carbon footprint, with an aim to reduce the College's net overall carbon footprint by 50% from its 2020 level by 2030 and to net zero by 2045.

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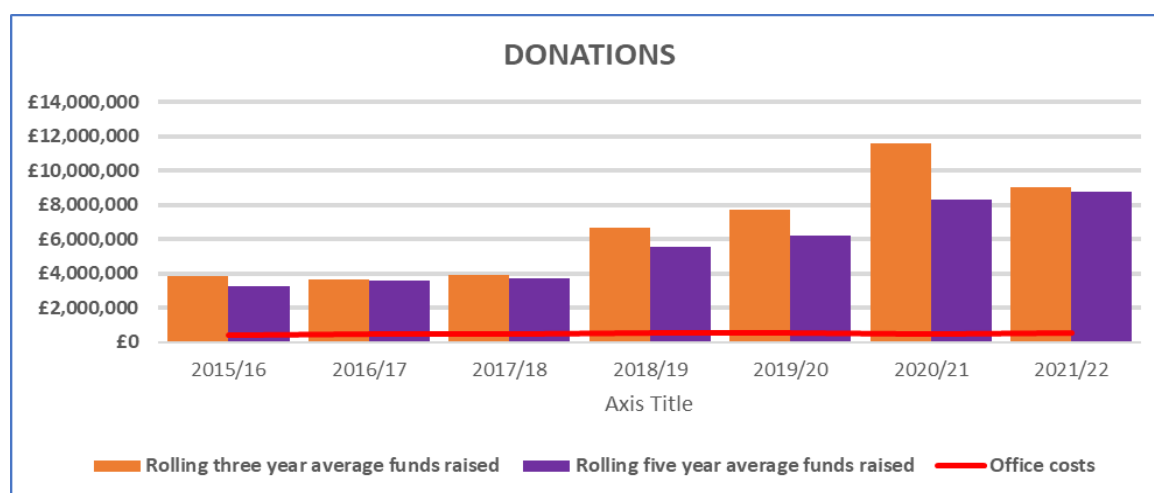
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To transition towards Net Zero Carbon by 2045 we need to develop a masterplan, avoiding where possible the need for carbon emission offsetting. With this aim in mind, we have conducted a whole estate energy assessment and decarbonisation study, which was delivered in June 2022.

Donations and Fundraising

The College's fundraising efforts are primarily directed at raising money from our alumni. Our fundraising approach ensures that we understand and respect individual preferences for contact in relation to approaches seeking support, as well as more generally. Key objectives for the College include teaching, particularly endowing Fellowships, research, student support, widening participation as well as enhancing the endowment. The College is very grateful to those of its alumni and others who continue to support it so generously and enhanced their support as the College responded to the impact of the Covid-19 pandemic. In 2021/2022 the College received unrestricted donations totalling £3,145,000, new expendable restricted funds £1,316,000 and new endowments totalling £1,383,000 giving a total of £5,844,000 (£15.67 million 2020/2021) in support of its objectives.

The cost of the Alumni and Development Office (ADO), a College department, for the year was £465,771 compared to £465,711 in 2020/2021. The ADO costs include both fundraising and alumni relations activity, such as reunions and other events and publications. This year there have been some 'in person' events held and costs have been stable. As the amount received can vary significantly from year to year, the chart below details the three and five-year rolling average of donations received, as well as the annual cost of the ADO.



All fundraising is carried out by the ADO, which reports detailed quarterly results to the Bursarial Committee and a summary report to the Governing Body. The College is registered with the Fundraising Regulator and was not the subject of any complaints to that body in 2021/2022, nor did the College receive complaints about its fundraising activities from any other source. The College does not seek support from the public and takes active steps to respect the needs of any potential supporter who may be in a vulnerable circumstance or require additional care and support to make an informed decision.

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Data handling

The College continues to monitor its data handling, reporting and Data Protection Statement in accordance with the UK GDPR requirements.

Equal Opportunities

The College is committed to the principle and practice of equal opportunities and strives to be an equal opportunities employer.

Continuing Impact of the Covid-19 Pandemic on the College's Operations

The Covid-19 pandemic has had a profound impact on the College's operations, both academic and non-academic, and this impact has continued to an extent during the current year. In this year it was possible for students to be resident in Cambridge throughout the Academic Year. Directors of Studies and Supervisors continued to provide teaching to all undergraduates through various media, such as Zoom or Microsoft Teams, and increasingly through face-to-face teaching as the year progressed and various restrictions at the national level were eased or removed.

The Senior Tutor and his team ensured all students were kept fully informed as the University and College developed their responses to the evolving pandemic and were as prepared as they could possibly be in the unprecedented circumstances in which everyone was placed. The Tutors and Student Support Team were in touch with all those students who needed support.

Prior to the pandemic the College provided accommodation to approximately 650 students during term, with 463 of those being accommodated on the Silver Street Site. One of the consequences of the pandemic is that it is no longer possible for students to share sets of rooms, unless specifically built for that purpose. With the changes required to the provision of accommodation under the various health rules and guidelines, the College was able to provide accommodation to approximately 640 students, with 420 being on the Silver Street site.

As reported in last year's accounts, the College faced a secular change in its operating environment with there being no demand during the pandemic for conferences and catering events. This forced us to restructure the operational departments, with teams cross-working and a complete change to how we work and a review of our processes.

Whilst this was difficult at the time, it has led to a positive outcome with significant improvements to our operating model, breaking down barriers between departments, and removing unnecessary activities and processes, which may have continued, if left unchallenged. The operational teams have performed well and cohesively throughout 2021/22, strengthened our effectiveness and ensuring we have strong foundation for further recovering in 2022/23.

There has been minimal conference and external catering events during the current year and the financial impact of this is covered in the financial review below.

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FINANCIAL REVIEW

In common with other organisations, the financial year to 30 June 2022 has been a particularly challenging one in highly uncertain economic circumstances, as the continuing effects of the Covid-19 pandemic have greatly affected the College. The College has continued to pursue its principal goals of providing a first class educational and research environment to undergraduates, postgraduates, and Fellows alike, whilst striving to live within its means and manage the challenges and uncertainties presented by the pandemic.

Financial Results

The College had an Operating Deficit, before New Endowments of £945,000 (2020/2021: -£829,000) and included £3,145,000 of donations of a revenue nature, or unrestricted in respect of their capital, principally in support of education compared to similar donations in the previous year of £3,063,000.

The surplus after new endowments amounted to £1,754,000 (2020/2021: £3,614,000) with new endowments totalling £1,383,000 (2020/2021: £4,443,000) in support of various of the College's activities, including funds for fellowships and teaching, studentships, bursaries, and hardship funds. There are also £1,316,000 (2020/21: £7,825,000) of restricted donations, which are fully expendable. These expendable donations are in support of education, particularly supporting postgraduate scholarships.

Year ended 30 th June	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
Operating Income	15.86	13.42	13.97	15.04	14.54
Expenditure	<u>16.80</u>	<u>14.25</u>	<u>15.31</u>	<u>15.72</u>	<u>14.36</u>
Operating (Deficit) Surplus	(0.94)	(0.83)	(1.34)	(0.68)	0.18
New Endowments	<u>1.38</u>	<u>4.44</u>	<u>2.46</u>	<u>7.90</u>	<u>1.63</u>
Restricted Donations	1.32	7.83	2.83	2.45	-
Total Surplus before Other Gains and Losses	1.76	3.61	3.95	9.67	1.81

The Operating Deficit includes investment income from the Endowment and investment assets of £3,201,000 (2020/2021: £2,921,000), while any realised gains or losses for the Endowment and investment assets are included in Other Gains and Losses.

The Operating Deficit of £945,000 is realised after charging depreciation of £2,434,000 (2020/2021: £2,482,000). The depreciation charge has more than tripled in the last ten years, and now almost reflects the true annual cost to the College of maintaining and enhancing its operational properties, including the College site at Silver Street. Adding back the depreciation charge and other non-cash items in the Income and Expenditure account, such as pension deficit provisions and any underspend on Restricted Funds, is a reasonable proxy for the cash the College has generated.

This year the College shows as part of its comprehensive Income and Expenditure account other gains and losses relating to investments assets. This year there was a loss of £932,000 (2020/2021: £14,415,000 gain) and a decrease in pension liabilities of £6,107,000 (2020/2021: £2,108,000 liability decrease), the total surplus is £6,930,000 (2020/2021: £27,214,000 surplus).

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There are several matters to draw to your attention:

- The continuing impact of the pandemic is dealt with in a separate section below;
- Investment income was at a marginally higher level compared to last year, which is satisfactory in this volatile period in markets;
- Approximately 60% of investment income is dedicated to the principal education activities of the College;
- The deficit on the Education Account was £4,365,000 (2020/2021: £2,820,000 deficit), before taking account of the investment income designated for education;
- The net deficit on the Education Account, after the designated investment income, was £2,514,000 (2020/2021: £1,779,000), this is equal to 1.86 times the unrestricted investment income (2020/2021: 1.5 times);
- This effectively means over recent years all the investment income has been devoted to the education of current students;
- The College's accommodation, conference and catering activities showed a deficit of £2,070,000 (2020/2021: £4,054,000 deficit). This area was the most affected by the pandemic as discussed below;
- The continued significantly reduced external revenue from conference and catering during the year has affected the College adversely.

Funding of the College

Queens' College is funded from several sources as follows:

Year ended 30 th June	2022	2021	2020	2019	2018
Academic Fees	28.5%	31.4%	29.4%	25.0%	26.4%
College Accommodation	23.0%	17.4%	18.6%	23.9%	23.7%
College Catering	4.9%	1.3%	5.3%	6.6%	6.8%
Conference Activities (including Catering)	2.7%	0.0%	9.8%	10.8%	11.0%
Investment Income	20.2%	21.8%	26.3%	13.6%	16.5%
Donations	19.8%	25.3%	7.0%	18.5%	14.4%
Other	0.9%	2.8%	3.6%	1.6%	1.2%

The above table excludes new endowments and restricted expendable donations from the calculations. Future income from the new endowments will appear as Investment Income.

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Continuing Impact of Covid-19 on Financial Results

There has been a continuing effect of the Covid pandemic on the College's results for this financial year is principally on the income side and particularly in respect of accommodation, catering, and conference revenues. There has been a degree of recovery from the historic lows of last year, with revenues of £4,852 million (2020/21: £2.543 million), which were caused by the absence for significant periods of 80% of our students and the cessation of all external conference and catering revenue. This year we have had a normal level of students in residence and some improvement in external revenue from conferences and catering events although the latter is but a fraction of the last financial year before the onset of the pandemic. The disruption to supply chains occasioned by the pandemic is still affecting the College with a higher inflationary environment developing, particularly in the last few months of this financial year but the main effect is likely to be felt in subsequent years.

Balance Sheet

The net tangible assets of the College stood at £149.98 million compared to £143.05 million in 2021. The increase is caused by the rise in investment assets' capital values, expendable restricted donations being held in cash ahead of deployment and a 51% fall in the pension liability under FRS 102.

There was no increase in the level of debt issued by the College and the gearing ratio is 15.3% compared to 16.1% last year. The change in gearing ratio is solely a function of the change in net tangible assets.

Main Endowment and Investment Assets

The College, as a long-term investor, has a medium risk appetite for the management of its investments. Risk parameters are agreed with the College's Fund Managers and the Managers are required to have due regard to a company's environmental, social and governance record when investing. The College does not hold any fossil fuel investments in holdings or funds in which it controls the investment. The College, is a beneficiary of a trust where the holdings are managed by the University as trustee and so the College does not control that investment or the policy applied to it.

The market value of the main Endowment and Investment Assets at 30th June 2022 stood at £136.27 million (2020/2021: £135.27 million). This figure includes £8.98 million (being the residual of the £15 million proceeds of a 40-year unsecured private placement issue), £9.70 million of cash donations and other monies for operational property investment and other restricted expendable donations of £2.28 million; when this is excluded the investment assets stand at £115.31 million (2020/21: £112.01 million).

Year ended 30 th June	2022 £mn	2021 £mn	2020 £mn	2019 £mn	2018 £mn
Closing position previous years Endowment & Investment Assets	112.01	93.32	91.23	89.46	86.17
New Endowments & unspent Endowment Income from previous year invested	4.51	4.11	11.59	1.62	1.27
Opening Position	116.52	97.43	102.82	91.08	87.44
Closing Position Endowment & Investment Assets	115.31	112.01	93.23	91.23	89.46
Investment Income Received	3.20	2.92	3.68	2.04	2.39
Gains (Losses)	(0.93)	14.42	(9.50)	0.15	2.02
Total Return	2.27	17.34	(5.82)	2.19	4.41

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The portfolio was invested in Global Equities, including Carbon Free holdings, (42%), residential property and agricultural estates (22%), cash (5%), UK gilts and overseas corporate bonds (3%), Multi-Asset Funds which have a significant exposure to quoted equities, including holdings in the Cambridge University Endowment Fund, (17%) and the balance in the recognised alternative asset class of private equity. It should be noted that the private equity investments are unquoted and shown at managers' estimated value on a "marked to market" basis.

During the year the College has increased its holding in ESG funds and has invested in key themes for the future, including clean energy, healthcare, automation, and digital intelligence. It will continue to rebalance the portfolio in future years away from purely geographic allocations to "thematics" with a long-term horizon. It should be noted that with the College's stance on fossil fuel, the returns the College receives at times when there is a significant market shock leading to higher oil and gas prices will be lower than those achieved by other investors with such holdings. The College is aware of this but as a long-term investor it accepts these short-term impacts will occur without invalidating the College approach.

The College now undertakes an ESG analysis of its quoted holdings representing 50% of its total portfolio, relying on data provided by Morningstar and Sustainalytics, as a means of tracking the effectiveness of its investment policies regarding ESG. At the year end, this part of the portfolio had a sustainability rating of 3.8 out of a possible 5.0. This type of analysis is still evolving, and the college will continue to address this issue over time and seek improvements. In due course, it will apply this analysis to all its non-property holdings.

The College's direct investment property assets have been re-valued during the year.

The total recorded return on the investment assets in the year was 1.95% (2020/2021: 17.79%). It should be noted that Queens' only uses its Actual Income in its day-to-day operations. Hitherto, the College has not drawdown any of its investment gains, but has accumulated them within reserves as it is, relatively speaking, an under-endowed College. The College has adopted a normal Total Return Policy, to take effect from 1st July 2022, with a distribution rate of 3% per annum, based on a weighted average of the value of the investment portfolio over a rolling five-year period.

The College takes a long-term view of the investment portfolio and attempts to protect its value in real terms and, as a result, to strike an equitable balance between the interests of the present members of the College and future generations. Any new donations or bequests received during the year are added to Unrestricted Funds, unless the donor has made it clear that the funds are to be spent on a particular project.

Future Capital Projects

In 2022/2023 the College will continue with capital expenditure which is deemed to be critical for the maintenance of the estate.

Long Term Debt Issue

The significant projects in 2014 and 2015 were funded, as previously reported, using the proceeds of an unsecured long-term debt issue in which the College participated with 18 other Colleges. The College's share of the issue was £8 million, with an average life of 34 years, at an effective rate of 4.42% per annum fixed for the duration of the loan. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges. This issue was a good example of the Cambridge Colleges working well together for a common purpose.

In January 2018, the College raised a further £15 million through a private placement. This is unsecured, at a fixed rate of interest of 2.62% per annum with repayment in one amount after 40 years. This fixed rate funding will be used to invest in further operational assets for the College to house more of its graduate

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students and to eradicate some historic anomalies in the provision of undergraduate accommodation. As reported last year, the project at Mill Lane was terminated by the University. The College has this year utilised £5.16 million of the proceeds to acquire revenue generating operational properties within the City of Cambridge. The College will use the balance of the proceeds in support of specific, revenue generating operational asset projects within the existing estate.

The issued debt has a gearing covenant (maximum 50% of net tangible assets) and a negative pledge. The College is comfortably within its covenants. This debt appears as a long-term liability on the balance sheet.

Pension Funds

The College participates in two pension schemes detailed below.

The College's academic staff are members of the Universities Superannuation Scheme and the issues and challenges facing this Scheme, and the College's staff who are members of it, have been well publicised. The effect of the FRS102 adjustment in respect of this Scheme, following completion of the latest valuations, in the Income and Expenditure Account this year is a debit of £631,000 (2020/2021: £10,000 debit).

The Cambridge Colleges Federated Pension Scheme (CCFPS), a pension scheme exclusively for non-academic staff, has its full liability recorded in the balance sheet under FRS102. The deficit shown this year has reduced by £6,107,000 (2020/2021: £2,108,000 reduction). The decrease in the deficit is driven principally by a higher discount rate used to calculate the present value of the scheme's liabilities. There is, however, an adverse impact in the staff costs shown in the Income and Expenditure account of £374,000 (2020/2021: -£633,000) arising from FRS102. The College is currently reducing its pension liability under the scheme with additional contributions over an eleven-year period.

The effect of the above changes in respect of both Schemes is a positive balance sheet movement of £5.10 million (2020/2021: 1.47 million positive).

Reserves Policy

The Governing Body, in approving these accounts, has adopted the reserves policy and target reserves as detailed below.

The reserves policy ensures that the College has sufficient financial resources to continue, but also constrains the extent to which reserves are built up from operating surpluses to help maintain intergenerational equity and balance the needs of current and future students.

Free reserves represent the unrestricted general funds of the College. The calculation involves analysis of the composition of the total reserves shown in the Balance Sheet, after adding back any provisions for pension liabilities. The following categories are excluded: Special Trust Funds, permanent restricted endowment, restricted funds and fixed and heritage assets. Net free reserves are after deducting the provision for pension liabilities.

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Total Reserves	2022	2021	2020	2019	2018
	£mn	£mn	£mn	£mn	£mn
Total Reserves (including Pension Provision)	154.7	152.9	127.2	132.7	121.1
Less: Restricted Reserves	93.2	91.2	69.8	69.3	72.4
Less: Fixed & Heritage Assets	40.9	39.5	38.0	38.3	38.6
Free Reserves	20.6	22.2	19.4	25.1	10.5
Less: Pension Provision	4.8	9.9	11.3	9.2	7.7
Net Free Reserves	15.8	12.3	8.1	15.9	2.8

The College's target reserves are as follows:

Reserve	Target Reserve	Rationale
Contingency Income & Expenditure	£8.99 million	Contingency to cover extreme/unexpected shortfall in income or additional extreme/unexpected expenditure – equivalent to 18 months accommodation conference and catering income being the average of the last three non-pandemic years
Emergency Building Repair Contingency	£2.00 million	To fund unexpected urgent repairs to buildings in the estate eg roof failures, etc. equivalent to 5% of buildings as fixed assets
Total	£10.99 million	

As of 30th June 2022, the College's free reserves were £15.8 million (2020/21 £12.3 million) compared with a target reserve of £10.99 million (2020/21 £10.75 million). The significant factor which will affect future reserves is the continuing aftermath of the Covid-19 pandemic, the war in Ukraine and the disruptions caused to supply chains and the prevailing high inflationary environment, particularly in respect of its operations and the financial and other markets in which the College has invested. This level of reserves, which is above the target, enables the College to consider carefully and react appropriately in the event of further, unforeseen extreme circumstances or a significant prolongation of the economic volatility.

The College is focusing on maximising income and donations, managing costs, effective use of restrictive income from Special Trust Funds, permanent restricted endowment and other restricted funds, and investing in the endowment and investment assets in order to recover from the impact of the pandemic and maintain and enhance its free reserves.

The College needs to maintain and enhance its unrestricted reserves as it is one of the measures of its relative financial strength in terms of its pension obligations as well as for its external funders. The Governing Body will keep the reserves policy under review and consider the need for further specific reserves from time to time as circumstances change.

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Response of the College to the aftermath of the Covid-19 Pandemic and international developments

The Governing Body has considered carefully the possible continuing impact of the aftermath of the Covid-19, as well as higher inflation and other disruptions arising from the war in Ukraine, on the College's finances in the new financial year and beyond. At meetings in June 2022, it considered a base case scenario of normal academic activities and a gradual recovery in external revenue from conference and catering activity with inflation peaking this year and then returning to c3% over the period. The College being able to adjust its charges to meet the change in inflation but a reduced initial level in donations with a steady improvement thereafter. Investment income rising slowly from the distribution under Total Return policy.

The base case scenario was over a four-year time horizon and showed the College being able to maintain cash generation and return to a surplus over the period. The Governing Body also considered two downside sensitivity analyses, with the severe case assuming significantly higher inflation with limited ability to maintain charges in real terms and a decline in both investment and donation income. The Governing Body also considered the College's holdings of cash and other liquid assets.

The budget for the new financial year was adopted based on the base case scenario.

Going Concern and Viability

The Governing Body has assessed the viability of the College and its subsidiaries over the duration of the four-year scenario planning exercise. The Governing Body considered and approved the detailed budget for the forthcoming year, and the actions required by it, as part of the review and have concluded there is a reasonable expectation that there are adequate resources, including the strength to operate and meet the liabilities of the College as they fall due over the period of the assessment and for the foreseeable future.

Principal Risks and Uncertainties

The principal risks and uncertainties that the College faces in the forthcoming year may be briefly summarised:

- The ongoing aftermath of the Covid-19 pandemic in terms of global economic uncertainties, together with those caused by the war in Ukraine, may have a significant effect on the College's revenue streams and on the markets in which the College invests. It is possible that capital values will be highly volatile and investment income may be adversely affected. Investment capital losses would affect adversely the College's level of free reserves;
- The pandemic returns and prompts further lockdowns such that most students are not in residence and the College, including its principal education activities, operates remotely. This would reduce dramatically one revenue stream. The College would seek to minimise outgoings during such a period. The College has a specific reserve for this matter;
- Unforeseen events disrupt the College's education and other activities such as to prevent the College from operating;
- Although the College has a long-term programme of building renewal and improvement, it is always possible with buildings of the age of the College's estate that there will be unexpected issues that may arise. The College keeps under review the conditions of the fabric to identify further issues and enable them to be addressed on a timely basis. The College has also maintained a detailed remedial programme of works on the buildings in the estate. There is a specific reserve for this matter;

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- The volatility in investment markets could be one of the factors that may give rise to a deterioration in the pension liability and a consequential adverse impact on the College's free reserves;
- A sustained high inflation environment may adversely affect the College's income streams as it has limited ability to increase revenues. Such an environment may also adversely affect both investment markets and possibly pension obligations; and
- The continuing failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties with a potential significant change to the funding of Universities in England, mean that the funding and costs associated with the College's core activity will need to be kept under constant review.

Future Plans

During the year the College commenced the review of its strategy and strategic imperatives under the "Five Pillars" approach as outlined in last year's Report and Accounts. This is to build on and significantly enhance the College's current position in all aspects of its activities.

The Five Pillars being considered and to which approaches have been developed with the diverse participation of Fellows are; 1) Fostering the intellectual society; 2) Strengthening financial resilience and long-term viability; 3) Removing obstacles to even broader access and participation; 4) Ensuring a coherent, enabling, and sustainable infrastructure (both physical and technological); 5) Enhancing efficient, representative and accountable governance.

The Five Pillars approach reflects the interdependencies within the College's activity and need to ensure they are aligned, coherent and consistent to strengthen the College for the future. They also allow for exploiting synergies and efficiencies.

As part of the "Five Pillars" review, the College will also continue to develop plans for raising funds, including to enhance significantly the College's endowment to enable it to continue achieving its objectives. As such, the College may amend its agreed strategic priorities for fundraising which were approved by the Governing Body in 2010. Currently, the College focuses principally on raising permanent capital funds for fellowships and teaching and funds to augment further support for students the core activity of the College, and unrestricted funds, so the College may continue to invest in the future and strengthen its financial position.

The College is looking to enhance both the resilience and agility of its operating practices, including by being able to deploy staff resources where there is greatest need and maximising the flexibility of our response as circumstances change.

Conclusion

The College's financial position can be described as challenging and by no means comfortable; there is a great deal to be done to secure properly the long-term future of the College especially for the continued provision of teaching and research excellence, providing for postgraduate students and refurbishing and enhancing the historic and other operational buildings.

QUEENS' COLLEGE, CAMBRIDGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

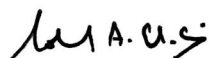
FOR THE YEAR ENDED 30th JUNE 2022

As mentioned above, the College will also need to consider additional revenues from other sources, especially in the light of a pandemic stopping one revenue stream at a stroke. The College will endeavour to work as efficiently as possible and maintain its resilience within the context of being an academic community. The College will regularly review its position as circumstances unfold, against its projections and its scenario planning model, to ensure it responds appropriately, proportionately and on a timely basis to the situation in which it may find itself. Our Base Case Scenario over the next few years is a return to generating cash and achieving an operating surplus.

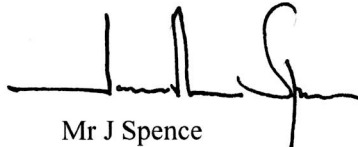
In the medium term, the College would hope to increase its endowment from all sources by at least £100 to £150 million from its current position. The College will also continue to control costs and manage resources to best effect to support its principal objective of providing a first-class education. It is not at all certain that academic fees will be increased adequately to meet the full costs of educating our undergraduates and, indeed, there is a possibility they may be reduced. The College needs to plan and act accordingly.

There is no doubt that the very challenging environment in which the College has operated in the last year will continue for the foreseeable future as there are considerable uncertainties arising from the impact of Covid-19 and the situation can change very rapidly. The College will strive to use its resources wisely and efficiently in these difficult circumstances.

On behalf of the Governing Body



Dr M A El-Erian
President



Mr J Spence
Senior Bursar

QUEENS' COLLEGE, CAMBRIDGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2022

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

The Bursarial Committee has day to day responsibility, under the overall direction of the Governing Body, for ensuring that there is an effective system of internal control and that accounting records are properly kept in accordance with the College's Statutes. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University, for approval by the Governing Body which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In preparing these financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply these 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.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to achieve policy, aims and objectives and to safeguard the assets of the College and prevent and detect fraud and other irregularities.

Any system of internal control, however, is designed to manage rather than eliminate risk and can only provide reasonable, not absolute, assurance against failure to achieve policy aims and objectives and material misstatement or loss.

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

QUEENS' COLLEGE, CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30th JUNE 2022

Opinion

We have audited the financial statements of Queens' College (the 'College') and its subsidiaries (the 'Group') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and College's affairs as at 30 June 2022 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 Group 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 Group's or College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

QUEENS' COLLEGE, CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30th JUNE 2022

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 Group and College and its environment obtained in the course of the audit, we have not identified material misstatements in the Review of Operations and Financial Review.

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

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

Responsibilities of the Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 28, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body are responsible for assessing the Group's and 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 Group or 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

QUEENS' COLLEGE, CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30th JUNE 2022

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 Group 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 Group and how the Group is complying with that framework;
- we obtained an understanding of the Group'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 Group. 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 Group's and 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 Group'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;

QUEENS' COLLEGE, CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30th JUNE 2022

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

Peters Elworthy & Moore.

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: *30 September 2022*

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

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30th JUNE 2022

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 and applicable United Kingdom accounting standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

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.

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.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 16. Intra-group balances are eliminated on consolidation.

A separate balance sheet and related notes for the College are not included in the accounts because the College's subsidiary company is a conference and banqueting trading company which donates its profits to the College each year. The balance sheet for the College alone would not be materially different to the one included in the accounts.

Recognition of income

Academic fees

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

Grant income

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Donations and endowments

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the Consolidated Statement of Comprehensive 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.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30th JUNE 2022

Donations and endowments (continued)

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 Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

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.

Other income

Income is received from a range of activities including accommodation, catering conferences, job retention scheme grant income and other services rendered.

Cambridge Bursary Scheme

In 2020-2021, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, Cambridge University reimbursed the SLC for the full amount and each College paid their portion (based on their own eligible students) to the University.

The net payment of £120,521 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£118,895
Expenditure	£340,042

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.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2022

Fixed assets

Land and buildings

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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 economic lives of 25-50 years.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

The cost of additions to operational property shown in the balance sheet includes the cost of land. 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	20% per annum
Computer equipment	33.33% per annum

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1st July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.

Stocks

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2022

Contingent liabilities and assets

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

Financial instruments

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2022

Statement of Principal Accounting Policies

Financial Instruments (continued)

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of ownership are transferred to another party.

Financial Liabilities

Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

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

Taxation

The College is a registered charity (number 1137495) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G, II

The College is liable to be assessed for Contribution under the provisions of Statute GII of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The liability for the year

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2022

as advised to the College by the University is based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension costs

The College participates in two funded defined benefit pension schemes, Cambridge Colleges Federated Pension Scheme (CCFPS) and the Universities Superannuation Scheme (USS)

Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the Fellows' or employees' services.

Universities Superannuation Scheme (USS)

Throughout the current and preceding periods, the Universities Superannuation Scheme was a defined benefit only pension scheme until 31st March 2016 which was contracted out of the State Second Pension (S2P). 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 hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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 and therefore, as required by Section 28 of FRS102 "Employee benefits", accounts for the scheme as if it were a 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 institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the College also recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31st March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

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 material 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.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2022

Critical Accounting Estimates and Judgements

The preparation of the College's accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining the appropriate recognition timing for donations, bequests and legacies. In general, the latter are recognised when at the probate stage.

Useful lives of property, plant, and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, Professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in page 33.

Investment property – Properties are revalued to their fair value at the reporting date by Carter Jonas and Bidwells. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in pages 36.

Management is 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 2021. 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 pages 54 - 59.

QUEENS' COLLEGE, CAMBRIDGE

Consolidated Statement of Comprehensive Income and Expenditure

FOR THE YEAR ENDED 30 JUNE 2022

		2021-22				2020-21			
	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
INCOME									
Academic fees & charges	1	4,530			4,530	4,212			4,212
Accommodation, catering and conferences	2	4,852			4,852	2,543			2,543
Endowment and investment income	3	1,350	1,249	602	3,201	1,193	1,094	634	2,921
Other income		128			128	344			344
Total income before donations and endowments		10,860	1,249	602	12,711	8,292	1,094	634	10,020
Donations		3,145	1,316		4,462	3,401	7,825		11,225
Deferred Capital write back					0				0
New endowments			0	1,383	1,383		0	4,443	4,443
Capital grants from colleges fund					0				0
Other capital grants for assets			0		0		0		0
Total income		14,005	2,565	1,985	18,555	11,692	8,919	5,077	25,688
EXPENDITURE									
Education	4	7,044	1,249	602	8,895	5,991	407	634	7,032
Accommodation, catering and conferences	5	6,922			6,922	6,597			6,597
Other expenditure		948			948	594			594
Contribution under Statute G, II		36			36	28			28
Total expenditure	6	14,949	1,249	602	16,801	13,210	407	634	14,250
Surplus (deficit) before other gains and losses		(944)	1,316	1,383	1,754	(1,517)	8,512	4,443	11,438
Gains(loss) on disposal of fixed assets	8	0			0	(761)			(761)
Gains(loss) on investments	9	(178)	(73)	(681)	(932)	5,962	884	7,582	14,428
Surplus (deficit) for the year		(1,122)	1,243	702	823	3,685	9,396	12,025	25,106
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		0			0	0			0
Actuarial gain(loss) in respect of pension schemes	15	6,107			6,107	2,108			2,108
Total comprehensive income for the year		4,985	1,243	702	6,930	5,792	9,396	12,025	27,214

The notes on pages 44 to 59 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE

Statement of Changes in Reserves Year Ended 30th June 2022

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
Balance at 1 July 2021	£'000	£'000	£'000	£'000
Opening balance	51,835	21,841	69,373	143,050
Change of Fund Classification	0	0	0	0
Surplus/(Deficit) from income and expenditure statement	(1,122)	1,243	702	823
Other comprehensive income	6,107	0	0	6,107
Release of restricted capital funds spent in year	0	0	0	0
Balance at 30th June 2022	56,820	23,084	70,075	149,979

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
Balance at 1 July 2020	£'000	£'000	£'000	£'000
Opening balance	46,043	12,445	57,348	115,836
Change of Fund Classification	0	0	0	0
Surplus/(Deficit) from income and expenditure statement	3,685	9,396	12,025	25,106
Other comprehensive income	2,108	0	0	2,108
Release of restricted capital funds spent in year	0	0	0	0
Balance at 30th June 2021	51,835	21,841	69,373	143,050

The notes on pages 44 to 59 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2022

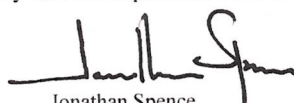
	Note	2022 Group £'000	2021 Group £'000
NON CURRENT ASSETS			
Fixed assets	8	40,902	39,488
Heritage Assets	8	103	103
Investments	9	136,267	135,271
Total non-current assets		177,271	174,863
CURRENT ASSETS			
Stocks	10	433	436
Trade and other receivables	11	1,702	2,161
Cash and cash equivalents	12	455	207
Total current assets		2,590	2,803
Creditors: amounts falling due within one year	13	2,114	1,747
Total Assets less current liabilities		177,747	175,919
Creditors: amounts falling due after more than one year	14	(23,000)	(23,000)
Provisions			
Pension provisions	15	(4,767)	(9,869)
Other provisions		0	0
Total net assets		149,979	143,050
Restricted reserves			
Income and expenditure reserve-endowment reserve	17	70,075	69,373
Income and expenditure reserve-restricted reserve	18	23,084	21,841
Unrestricted Reserves			
Income and expenditure reserve-Unrestricted		56,820	51,835
TOTAL RESERVES		149,979	143,050

The notes on pages 44 to 59 form part of these accounts

These accounts were approved by the Governing Body on 30th September 2022 and signed on their behalf by



Dr M A El-Erian
President



Jonathan Spence
Senior Bursar

QUEENS' COLLEGE, CAMBRIDGE

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	£'000	£'000
Net cash inflow from operating activities	19	3,568	13,045
Cash flows from investing activities	20	(2,573)	(12,358)
Cash flows from financing activities	21	<u>(747)</u>	<u>(747)</u>
Increase/(decrease) in cash equivalents in the year		248	(60)
Cash and cash equivalents at beginning of the year		207	267
Cash and cash equivalents at end of the year	12	<u><u>455</u></u>	<u><u>207</u></u>

The notes on pages 44 to 59 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

1 Academic fees and charges

	2022	2021
	£000	£000
Fee income received at the Regulated undergraduate rate	2,582	2,529
Fee income received at the Unregulated undergraduate rate	206	288
Fee income received at the Graduate rate	1,595	1,227
Other Income	146	168
	<u>4,530</u>	<u>4,212</u>

2 Income from accommodation, catering and conferences

Accommodation:	College members	3,651	2,344
	Conferences and banquets	167	22
Catering:	College members	780	177
	Conferences and banquets	254	0
Total		<u>4,852</u>	<u>2,543</u>

3 Endowment and investment income

3a Analysis

	2022	2021
	£000	£000
Income from:		
Land and buildings	494	488
Quoted securities	2,072	2,143
Fixed interest securities	16	16
Income from short-term investments	46	3
Other interest receivable	573	272
Total	<u>3,201</u>	<u>2,921</u>

3b Investment management costs

	2022	2021
	£000	£000
Land and buildings	(169)	(78)
Quoted securities - equities	(88)	(88)
Fixed interest securities	0	0
Other investments	0	0
Cash	0	0
Total	<u>(257)</u>	<u>(165)</u>

4 Education expenditure

	2022	2021
	£000	£000
Teaching	4,397	3,200
Tutorial	1,810	1,662
Admissions	576	351
Research	401	303
Scholarships and awards	930	797
Other educational facilities	781	719
Total	<u>8,895</u>	<u>7,032</u>

5 Accommodation, catering and conferences expenditure

Accommodation, catering and conferences expenditure		2022	2021
		£000	£000
Accommodation:	College members	5,111	4,920
	Conferences and banquets	232	45
Catering:	College members	1,241	1,623
	Conferences and banquets	338	8
Total		6,922	6,597

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

6a Analysis of 2021/2022 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	5,002	3,095	799	8,895
Accommodation, catering and conferences	3,107	2,179	1,636	6,922
Other	417	567	0	984
	8,525	5,841	2,434	16,801

Expenditure includes fundraising costs of £368,193 and £211,298 on alumni relations.

6b Analysis of 2020/2021 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	3,928	2,254	849	7,032
Accommodation, catering and conferences	3,532	1,433	1,632	6,597
Other	348	274	0	622
	7,808	3,960	2,482	14,250

Expenditure includes fundraising costs of £314,006 and £151,765 on alumni relations.

6c Auditors' remuneration

	2022 £000	2021 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	38	33
Other fees payable to the College's external auditors	0	0

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

7 Staff costs

Consolidated	Academic	Non- academic	Total 2022	Total 2021
	£000	£000	£000	£000
Staff Costs:				
Emoluments	1,875	4,025	5,900	5,862
Social security	165	327	492	437
Pension	935	1,198	2,133	1,509
	<u>2,975</u>	<u>5,550</u>	<u>8,525</u>	<u>7,808</u>
	Average staff numbers 2022	Average staff numbers 2021		
	Number of	Full-time	Number of	Full-time
	Fellows	equivalents	Fellows	equivalents
Academic	60		61	
Non-academic		111		117

At the Balance Sheet date there were 67 members of the Governing Body. During the year the average number receiving remuneration was the 60 shown above.

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

	2022	2021
£100,001 - £110,000	1	0
£110,001 - £120,000	2	3
£120,001 - £130,000	2	1
£130,001 - £140,000	1	0

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College.

The aggregated remuneration paid to key management personnel consists of salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

The President, Senior Bursar, and Senior Tutor are the College's key management personnel.

	Total 2022 £'000	Total 2021 £'000
Key management personnel aggregated remuneration	389	367

The Trustees received no remuneration in their capacity as Trustees of the Charity.

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

8 Fixed assets

	Land and buildings £000	Assets in construction £000	Equipment £000	Heritage Assets £000	2022 Total £000	2021 Total £000
Cost or valuation						
At beginning of year	60,167	0	2,249	103	62,518	59,611
Additions at cost	2,139	1,162	547	0	3,848	6,464
Revaluation of asset	0	0	0	0	0	0
Transfer	0	0	0	0	0	0
Disposals	(1,716)	0	(341)	0	(2,058)	(3,556)
At end of year	<u>60,590</u>	<u>1,162</u>	<u>2,454</u>	<u>103</u>	<u>64,308</u>	<u>62,518</u>
Depreciation						
At beginning of year	21,690	0	1,237	0	22,927	21,481
Charge for the year	2,004	0	431	0	2,434	2,482
Eliminated on Disposal	(1,716)	0	(341)	0	(2,058)	(1,035)
Written back on revaluation	0	0	0	0	0	0
At end of year	<u>21,978</u>	<u>0</u>	<u>1,327</u>	<u>0</u>	<u>23,304</u>	<u>22,927</u>
NET BOOK VALUE						
At end of year	<u>38,612</u>	<u>1,162</u>	<u>1,128</u>	<u>103</u>	<u>41,004</u>	<u>39,591</u>
At beginning of year	<u>38,477</u>	<u>0</u>	<u>1,011</u>	<u>103</u>	<u>39,591</u>	<u>38,130</u>

The insured value of freehold land and buildings as at 30 June 2022 was £182m (2021: £167m).

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

8 Tangible fixed assets (continued)

Heritage assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since July 2005 have been capitalised. However the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of the cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	2022	2021	2020	2019	2018
	£000	£000	£000	£000	£000
Acquisitions purchased with specific donations	0	0	0	0	0
Acquisitions purchased with College funds	0	0	0	88	0
Total cost of acquisitions purchased	0	0	0	88	0
Value of acquisitions by donation	0	0	0	0	0
Total acquisitions capitalised	0	0	0	88	0

9 Fixed asset investments

	2022	2021
	Total	Total
	£000	£000
Balance at beginning of year	135,271	110,267
Additions	56,183	88,396
Transferred from fixed assets	0	0
Disposals	54,256	77,820
Less: impairment on unquoted securities	0	0
Gain/(loss)	(932)	14,428
Increase/(decrease) in cash balances held at fund managers	0	0
Balance at end of year	136,267	135,271
Represented by:		
Property	26,077	24,976
Quoted securities – equities	58,799	58,893
Fixed interest securities	1,523	611
Other investments	21,203	19,187
Cash in hand & at investment managers	28,665	31,604
Total	136,267	135,271

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

10 Stocks and work in progress

	2022	2021
	£000	£000
Goods for resale	433	435
Work in progress	0	0
Other Stocks	0	0
	<u>433</u>	<u>436</u>

11 Trade and other receivables

	2022	2021
	£000	£000
Members of the College	32	9
Amounts due from subsidiary undertakings	0	0
Other receivables	1,502	2,089
Prepayments and accrued income	168	63
	<u>1,702</u>	<u>2,161</u>

12 Cash and cash equivalents

	2022	2021
	£000	£000
Short-term money market investments		
Bank deposits		
Current accounts	448	204
Cash in hand	7	3
	<u>455</u>	<u>207</u>

13 Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Trade creditors	1,240	865
Members of the College	324	378
Amounts due to subsidiary undertakings	0	0
Receipts in advance	444	405
University Fees	71	71
Contribution to Colleges Fund	36	28
Accruals and deferred income		
Other creditors		
	<u>2,114</u>	<u>1,747</u>

14 Long term loans

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £8 million. The Loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.42%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

During the course of 2017-2018, the College raised a further £15 million of unsecured debt from institutional investors at a fixed rate of interest of 2.62% per annum. Repayment is due in one amount at the end of 40 years. There is an agreed covenant in respect of the borrowings which the College has been in compliance with.

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

15 Pension provisions	2022	2021
CCFPS	£000	£000
Balance at beginning of year	9,301	10,777
Movement in year:		
Current service costs including life assurance	1,478	1,514
Contributions	(1,104)	(881)
Other finance cost	0	0
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(6,107)	(2,108)
Balance at end of year	3,568	9,301
USS		
Balance at beginning of year	568	558
Current service costs including life assurance	654	284
Contributions	(29)	(282)
Other finance cost	5	8
Balance at end of year	1,199	568

16 Principal subsidiary undertakings

The College owns 100% of the ordinary share capital of QC Enterprises Limited, a company incorporated in England. The principal activity of the company is the provision of conference and banqueting services at the College.

17 Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2022 Total	2021 Total
	£000	£000	£000	£000
Balance at beginning of year				
Capital	39,272	30,102	69,373	57,348
New Donations and endowments	1,369	14	1,383	4,443
Increase/(decrease) in market value of investments	(380)	(301)	(681)	7,582
Balance at end of year	40,260	29,815	70,075	69,373

Analysis by type of purpose

Fellowship funds	28,315	0	28,315	27,592
Scholarship funds	4,610	0	4,610	4,529
Prize Funds	0	0	0	0
Hardship funds	129	0	129	131
Bursary funds	4,956	0	4,956	4,765
Travel grant funds	438	0	438	425
Other funds	144	0	144	146
General	1,667	29,815	31,481	31,785
	40,260	29,815	70,075	69,373

Analysis by asset

Property	6,417	4,752	11,169	11,057
Investments	31,550	23,365	54,915	54,365
Cash	2,293	1,698	3,991	3,951

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

18 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2022 Total £000	2021 Total £000
Balance at beginning of year	0	2,234	19,607	21,841	12,445
Capital	0	0	19,157	19,157	10,448
Accumulated income	0	2,234	450	2,684	1,997
Change of Fund Classification	0	0	0	0	0
New grants	0	0	0	0	0
New donations	0	0	1,316	1,316	7,825
Endowment return transferred	0	760	147	906	842
Other investment income	0	343	0	343	252
Increase/(decrease) in market value of investments	0	0	(73)	(73)	884
Expenditure	0	(1,008)	(241)	(1,249)	(407)
Capital grants utilised	0	0	0	0	0
Balance at end of year	0	2,328	20,756	23,084	21,841
capital	0	0	20,314	20,314	19,157
Accumulated income	0	2,328	441	2,770	2,684
Analysis of other restricted funds/donations by type of purpose					
Fellowship funds	0	1,817	1,034	2,851	2,765
Scholarship funds	0	132	581	713	708
Prize Funds	0	0	0	0	0
Hardship funds	0	(7)	1,504	1,497	1,513
Bursary funds	0	309	634	943	935
Travel grant funds	0	37	35	72	86
Other funds	0	37	16,697	16,735	15,558
General	0	3	271	274	276

19 Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2022 £000	2021 £000
Surplus/(deficit) for the year	823	25,106
Adjustment for non-cash items		
Depreciation	8	2,434
Loss/(gain) on endowments, donations and investment property	17	932
Decrease/(increase) in stocks	10	3
Decrease/(increase) in trade and other receivables	11	459
Increase/(decrease) in creditors	13	367
Increase/(decrease) in provisions		0
Pension costs less contributions payable	15	1,005
Loss/(gain) on sale of property		0
Adjustment for investing or financing activities		
Investment income	(3,201)	(2,921)
Interest payable	747	747
Net cash inflow from operating activities	3,568	13,045

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

20 Cash flows from investing activities

	2022	2021
	£000	£000
Proceeds from the sales of non-current fixed assets	0	1,760
Non-current investment disposal	54,256	77,820
Investment income	3,201	2,921
Endowment funds invested	0	0
Withdrawal of deposits	0	0
Payments made to acquire non-current assets	(60,031)	(94,860)
Total cash flows from investing activities	(2,573)	(12,358)

21 Cash flows from financing activities

	2022	2021
	£000	£000
Interest paid	(747)	(747)
Interest element of finance rental payment	0	0
New unsecured loans	0	0
Repayments of amounts borrowed	0	0
Capital element of finance lease rental payment	0	0
Total cash flows from financing activities	(747)	(747)

22 Capital commitments

	2022	2021
	£000	£000
Capital commitments at 30 June 2020 are as follows:		
Authorised and contracted	1,600	375
Authorised but not yet contracted for	2,150	535

23 Consolidated reconciliation and analysis of net debt

	At 1 July	Cash	Other	At 30 June
	2021	Flows	non-cash	2022
	£000	£000	changes	£000
			£000	
Cash and cash equivalents	207	248		455
Borrowings:				
Amounts falling due after more than one year				
Unsecured loans	(23,000)			(23,000)
Total net debt	(22,793)	248	0	(22,545)

24 Financial Instruments

	2022	2021
	£000	£000
Financial assets		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments	58,799	56,197
Other investments	38,580	18,282
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	30,188	12,688
Other debtors	1,534	3,280
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	23,000	23,000
Trade creditors	1,357	1,173
Other creditors	431	512

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2022

25 Related Party Transactions

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

The College maintains a Register of Interest for all Fellows and College employees with spending authority. It is updated every six months and during the year to 30th June 2022 it reveals that no material events occurred.

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 Stipends Committee.

The College continues its investment in joint equity properties with 1 College Fellow (1 Fellow in 2021). The total investment by the College amounted to £147,175 (2021 £147,175).

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

From	To	2022	2021
£0	£10,000	28	26
£10,001	£20,000	15	16
£20,001	£30,000	5	8
£30,001	£40,000	2	2
£40,001	£50,000	2	0
£50,001	£60,000	1	2
£60,001	£70,000	2	1
£70,001	£80,000	1	1
£80,001	£90,000	2	4
£90,001	£100,000	1	0
£100,001	£110,000	2	1
	Total	61	61

The total Trustee salaries were £1,399,918 for the year (2021: £1,360,765)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £52,663 for the year (2021: £79,985)

The College has one trading and one dormant subsidiary undertaking, both of which are consolidated into these accounts. Both subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales. 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.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2022

UNIVERSITIES SUPERANNUATION SCHEME

Significant accounting policies

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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 institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

Critical accounting judgements

FRS 102 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 Universities Superannuation Scheme. 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) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors 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 recovery plan in existence at the date of approving these financial statements.

PENSION COSTS

The total cost charged to the profit and loss account is £630,803 (2021: £10,096)).

Deficit recovery contributions due within one year for the institution are £87,595 (2021: £26,734).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2022

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles:
(uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% pa to 2030, reducing linearly by 0.1% pa to a long-term difference of 0.1% pa from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% pa Post retirement: 1.00%pa

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

2020 Valuation

Mortality base table

101% of S2PMA 'light' for males and 95% of S3PFA for females.

Future improvements to mortality

CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectations on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	1.80%
Pensionable salary growth	3.33%	3.10%

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2022

CAMBRIDGE COLLEGES FEDERATED PENSION SCHEME

The College operates a defined benefits plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme.

The liabilities of the plan have been calculated at 30th June 2022 for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, 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 were as follows:

	<u>30th June</u> <u>2022</u>	<u>30th June</u> <u>2021</u>
Discount rate	3.80%	1.80%
Increase in salaries	3.25%	3.10%
RPI assumption	3.45%*	3.40%
CPI assumption	2.75%*	2.60%
Pension increased in payment (RPI Max 5% pa)	3.30%*	3.30%
Pension increases in payment (CPI Max 2.5% pa)	2.05%*	1.95%

*For one year only, we have assumed that RPI will be 11% and CPI will be 9%. The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2021: S3PA with CMI_2020 future improvement factors and a long-term future improvement rate of 1.25% per annum, 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 24.3 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.7 years (previously 25.7 years).

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2022

PENSION SCHEMES (CONTINUED)

The assets in the Scheme and the expected rates of return were:

	<i>Long-term rate of return expected at 30/06/2022</i>	<i>Value at 30/06/2022</i>	<i>Long-term rate of return expected at 30/06/2021</i>	<i>Value at 30/06/2021</i>	<i>Long-term rate of return expected at 30/06/2020</i>	<i>Value at 30/06/2020</i>
Equities and Hedge Funds		10,257,694		10,606,207		9,810,563
Cash, Bonds & Net Current Assets		6,706,954		9,280,431		8,208,838
Property		<u>2,761,687</u>		<u>2,209,626</u>		<u>2,002,156</u>
Total		<u>19,726,335</u>		<u>22,096,264</u>		<u>20,021,557</u>

The following results were measured in accordance with the requirements of FRS102

	2022 £	2021 £	2020 £
Total market value of assets	19,726,335	22,096,264	20,021,557
Present value of Scheme liabilities	<u>(23,294,743)</u>	<u>(31,397,694)</u>	<u>(30,798,169)</u>
Surplus/(deficit) in the Scheme	<u>(3,568,408)</u>	<u>(9,301,430)</u>	<u>(10,776,612)</u>

The amounts recognised in income and expenditure are as follows:

	30th June 2022 £	30th June 2021 £
In staff costs: Current service cost (net of employee contributions)	<u>1,255,992</u>	1,320,996
In endowment and investment income:		
Interest cost	572,440	453,455
Expected return on pension scheme assets	<u>(403,831)</u>	<u>(296,257)</u>
Net return	<u>168,609</u>	157,198
Actual return on pension scheme assets	<u>2,978,166</u>	<u>1,528,371</u>

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2022

PENSION SCHEMES (CONTINUED)

Changes in the present value of the plan liabilities are as follows:

	30 th June 2022	30 th June 2021
	£	£
Present value of plan liabilities at beginning of period	31,397,694	30,798,169
Current service cost (including employee's contributions)	1,532,171	1,594,918
Interest on plan liabilities	572,440	453,455
Actuarial (gains) losses	(9,498,973)	(897,337)
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
Benefits paid	<u>(708,589)</u>	<u>(551,511)</u>
Present value of plan liabilities at end of period	<u>23,294,743</u>	<u>31,397,694</u>

Changes in the fair value of scheme assets are as follows:

	30 th June 2022	30 th June 2021
	£	£
Market value of plan assets at beginning of year	22,096,264	20,021,557
Contributions by the College	1,103,937	881,344
Additional contributions by members (including AVCs)	276,179	273,922
Benefits (and expenses) paid	(771,879)	(608,930)
Interest on plan assets	403,831	296,257
Return on assets, less interest included in Prof.it & Loss	<u>(3,381,997)</u>	<u>1,232,114</u>
Market value of plan assets at end of year	<u>19,726,335</u>	<u>22,096,264</u>

Amounts for the current and previous four periods are as follows:

	30 th June 2022	30 th June 2021	30 th June 2020	30 th June 2019	30 th June 2018
	£	£	£	£	£
Present value of plan liabilities	(23,294,743)	(31,397,694)	(30,798,169)	(26,243,731)	(22,678,045)
Market value of plan assets	<u>19,726,335</u>	<u>22,096,264</u>	<u>20,021,557</u>	<u>17,915,328</u>	<u>15,797,680</u>
Surplus/(deficit)	<u>(3,568,408)</u>	<u>(9,301,430)</u>	<u>(10,776,612)</u>	<u>(8,328,403)</u>	<u>(6,880,365)</u>
Experience adjustments on plan liabilities	1,108,641	(459,639)	(54,536)	439,114	(297,285)
Change in assumptions underlying present value of plan liabilities	(10,597,748)	(416,040)	(3,026,582)	(2,878,488)	(1,063,729)

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2022

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

Funding policy

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

The last such valuation was at 31st 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 21st May 2021 and are as follows:

- Annual contributions of not less than £274,247 per annum, payable for the period to 31st March 2029.

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