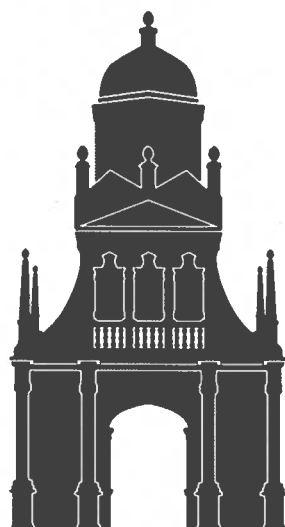


Gonville & Caius



Trustees' Annual Report and Accounts 2020/21

For the year ended 30 June 2021

Gonville & Caius

Trustees' Annual Report and Accounts 2020/21

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Reference and Administrative Details

The College of Gonville & Caius in the University of Cambridge comprises the Master, the Fellows and the Scholars. Its registered address is Trinity Street, Cambridge CB2 1TA. The College is a registered charity (Charity Registration Number: 1137536) and is subject to regulation by the Charity Commission for England and Wales. The charity Trustees of the College are the members of the College Council.

Council Members 1 July 2020 – 30 June 2021

Ex Officio	Master	Professor P J Rogerson
Ex Officio	Senior Bursar	Mr R Gardiner
Ex Officio	Senior Tutor	Dr A Spencer
Elected members		Professor J Herbert (to 9 October 2020)
		Professor M C Smith (to 9 October 2020)
		Dr M T Calaresu (to 30 April 2021)
		Professor J D Mollon (to 29 January 2021)
		Professor K Khaw
		Dr J Sale (to 9 October 2020)
		Dr G J Conduit
		Professor E Harper (to 9 October 2020)
		Professor F Gallagher
		Dr R Yotova
		Dr W Handley (from 9 October 2020)
		Professor S Sivasundaram (from 9 October 2020)
		Revd Dr C Hammond (from 9 October 2020)
		Dr E Ringe (from 9 October 2020)
		Professor P Robinson (from 29 January 2021)
		Professor A Ahmed (from 30 April 2021)

Auditors

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

Legal Advisers

Mills & Reeve LLP
Botanic House
98-100 Hills Road
Cambridge
CB2 1PH

Bankers

Barclays Bank plc
Mortlock House
Histon
Cambridge
CB24 9DE

Investment Managers

Partners Capital
5 Young Street
London
W8 5EH

Lloyds Bank PLC
3 Sidney Street
Cambridge
CB2 3BU

CCLA Investment Management Ltd
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Property Managers

Bidwells
Trumpington Road
Cambridge
CB2 2LD

Report of the College Council

Status

Gonville & Caius is one of the oldest and largest Colleges in the University of Cambridge, originally founded in 1348 by Edmund Gonville and subsequently augmented and re-founded by John Caius in 1557. It is a self-governing community of scholars, home to more than 850 undergraduates, graduates and academics supported by over 150 full-time equivalent staff.

The College is constituted under the provisions of the Universities of Oxford and Cambridge Act 1923 and is a registered charity. These accounts consolidate the operations of the College with its subsidiaries Caius Property Services Limited, Budworth Development Limited and Caius Conferences Limited. They are prepared in accordance with the Recommended Cambridge College Accounts (RCCA) format.

Aims and Objectives

The College is an institution of Higher Education. Its primary charitable purpose is the pursuit of education, religion, learning and research and its overall objective is to rank amongst the highest achieving academic institutions in the world.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an education for more than 850 undergraduate and graduate students that 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 systems;
- 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 while studying at the College; and
- specialist choral musical education for its choristers who make up the College's renowned choir.

The College advances learning and research through:

- providing an intellectual and social base for around 200 graduate students, as well as offering studentships, bursaries, financial support and grants for travel and other support relating to their research;
- 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 Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and materials;
- encouraging visits from outstanding academics from abroad; 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 and archives (including important special collections), providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, external scholars and researchers, as well as offering a venue for occasional lectures and exhibitions open to the general public.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background:

- there are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly between 18 and 26 years old; and
- there are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements. The College works to ensure that no one is barred from attending the College because of financial constraints and it provides assistance to many of its students:

- to assist undergraduates who have limited financial means. The College participates in the Cambridge Bursary Scheme. The scheme operates in conjunction with the University of Cambridge and is approved by the Office for Students (OfS) providing benefits at a substantially higher level than the minimum OfS requirement;
- to support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages;
- the College also supports students through a grant scheme to assist with the purchase of books and equipment, attendance at conferences, childcare support and travel grants, as appropriate; and
- in addition to its other programmes, the College has limited funds for any student in financial hardship.

To raise educational aspiration and encourage more talented applicants from under-represented backgrounds to apply to the College, it operates an extensive outreach programme which includes large sustained programmes of supervision and guidance, visits to schools, visits by schools to the College, residential events, guidance for teachers, partnerships with external organisations and a lively presence across a range of social media.

The College carries forward the requirement, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, the College:

- maintains and supports the Chapel as a place of religious worship where visitors are welcome during the day; where a variety of religious services take place on weekdays and at weekends during term, details of which are advertised; and where all regular services in the College Chapel are open to the public and are attended by students and staff from elsewhere in the University as well as local residents and visitors to Cambridge;
- maintains its outstanding choral tradition, which is integral to the provision of Divine Service in its Chapel, through the College's choir, formed from the students of the College;
- supports, through the College Dean, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none;
- maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron of 22 parishes (and, in the absence of a Rector of Stockport, as Patron of a further 6 parishes) and Lay Rector of 4 parishes; and
- supports the institution of Caius House Battersea through the appointment of its Trustees (in the gift of the Master) and the involvement of the Dean as a Trustee.

Achievements and Performance

Covid-19 pandemic

The pandemic continued to define the approach to the year under review. The College was substantially closed for non-academic purposes until the start of Michaelmas Term. It again had to close much of its non-academic operations during the Lent Term 2021. Fellows had to teach online during a large portion of the year. Some staff continued to be put on leave under the Coronavirus Job Retention Scheme during the early part of the period. Remaining staff worked, where they could, substantially from home during much of the year. The Lent Term was mainly non-resident under a second lock-down. The College did, however, have a number of resident students who could not return home or had no alternative place to live and study and for whom the College maintained basic residential and catering services within government restrictions and guidelines. The College benefited from very significant intercollegiate and University collaboration in developing a 'Covid-secure' basis for operations. During the whole period under review regulations changed frequently, each time requiring Covid planning to be revised.

The principal effects and challenges of the pandemic during the year were:

- Ensuring that the College Council was informed and available to make quick decisions on often limited information
- Ensuring clear communication to the various groups within the College affected by changes in the way that the college was run
- Dealing with unexpectedly high numbers of students satisfying admissions offers owing to changes in A-level assessment
- Enabling teaching online including flexibility for individual students and teachers to respond to their circumstances
- Providing study materials online
- Contributing to remote examination and assessment
- Adapting and severely limiting graduation events without the normal opportunity to celebrate and congratulate the cohort
- Conducting admissions process including interviews entirely on-line
- Determining how student activities could continue, for example the cohesion of the choir and sports clubs.
- Supporting the well-being of students remotely
- Successfully participating in a colleges-wide asymptomatic testing programme for students
- Ensuring that essential maintenance and the College's kitchen refurbishment programme could continue in a Covid-secure manner while trying to protect the timetable of this very complex project so it could complete in a timely manner
- Reconfiguring our catering provision, with severe constraints on dining at the common table and maintaining takeaway services in many cases
- Securing adequate supplies for College departments including those required for infection control
- Managing the financial consequences of student rental and catering voids in Lent Term and the wholesale cancellation of the conference events during the period and beyond
- Making staff comfortable with the arrangements for working in Covid-secure environments in the College as the restrictions were lifted
- Conducting satisfactory interviews for key recruitment both within the fellowship and staff groups
- Managing the College's substantial central Cambridge retail property portfolio through continuing turbulence and uncertainty for the retail industry.

It is a testament to the ingenuity, dedication and resilience of the College's operational management and staff that the College reopened successfully in October 2020 after the first lock-downs and then coped with subsequent, successive versions of unlocking or locking down again.

Educational activities

The College's undergraduates study all the subjects offered in the University and our postgraduates play a key role in the research activities of the wider University. Our Fellows have internationally renowned research expertise ranging from Archaeology to Zoology and are all recognised as leaders in their fields. The number of undergraduate and graduate students registered with the University at 3rd December 2020 was:

	2020/21	2019/20	% Change
Undergraduate	619	603	+2.7
Postgraduate	252	225	+12.0
Total	871	828	+5.2

Research activities

Three new Research Fellows started their Fellowships during the year: Dr Christina Faraday (History of Art); Dr Emily Sandford (Physics); and Dr Vedran Sulovsky (History). In addition the College appointed Dr Ahab Bdaiwi as the Cook-Crone Bye-Fellow for one year (Religion) and Dr Nico Bell-Romero for one year as a part-time Research Associate and Bye-Fellow to carry out research into the legacy of slavery.

Funding

The principal sources of income of the College are as follows:

- Fees charged for the provision of education to students.
- Students and Fellows through charges for goods, services and facilities provided.
- Investment income.
- Members and friends of the College through donations and bequests.
- Conference customers for goods, services and facilities provided.

Financial Review

The College's financial objective is to ensure that the College's primary educational, religious, learning and research functions are managed cost-effectively and supported by robust and well-managed financial resources, which will sustain the enterprise in perpetuity.

Academic Fees and Expenditure

Academic fee income has increased by 2.9% principally due to the increase in undergraduates paying unregulated fees (+ 15) arising from the change in the manner of awarding A-Levels in 2020 and higher than usual rates of achieving admissions offers. Total fee income does not cover the full cost of educational provision and the net cost to the College of providing education has increased from £4.1m in 2019/20 to £4.9m in 2020/21:

	2020/21 £000	2019/20 £000	Change £000
Income	3,980	3,868	112
Expenditure	(8,882)	(7,946)	(936)
Net Cost	(4,902)	(4,078)	(824)

The average funding for each student that was provided by Gonville & Caius College in 2020/21 was £5,628 (2019/20: £4,925).

The education costs are made up as follows:

	2020/21 £000	2019/20 £000	Change £000
Teaching	3,516	3,472	+44
Tutorial and student welfare	1,341	1,286	+55
Admissions	290	346	-56
Research	1,026	1,070	-44
Scholarships and awards	1,991	1,054	+937
Other educational facilities	690	685	+5
Other educational expenses	28	33	-5
Totals	8,882	7,946	+936

There was a substantial increase in the costs of Scholarships and awards due to the higher number and value of awards granted and required to be recognised as commitments. Some new awards were granted, such as the first Tammy Chen Studentship, which honours a graduate student of the College killed in a terrorist attack in 2017 in Burkina Faso. Changes in tutorial costs reflect the creation of additional posts to support students. The reduction in admissions expenditure reflects the inability to run physical outreach activity.

Residences, Catering and Conferences

Income from residences, catering and conferences amounted to £3.7m which was £0.8m (18%) lower than the previous year due to the cancellation of conference activity because of Covid and the non-resident undergraduate Lent Term. Expenditure reduced by 1.8% owing to consequential savings on food and other costs.

Investment Income

The College depends on investment income to fully fund its activities. The endowment is managed for total return, with a spending rule which seeks to preserve the purchasing power of the endowment and is derived using a 'Yale Rule' being 70% of the previous year's total adjusted for college inflation and 30% based on 2.625% of the value of investments at 31 March 2020. In addition the expendable amount derived from property is the lower of the Yale Rule or the amount of income arising from the property net of costs and an allowance for repairs. The income derived figure was lower for the year leading to a reduction in the overall value of the expendable amount. That amount was subsequently reduced by unrestricted donations with this reduction being capped at a level to avoid a negative transfer from capital to unrestricted funds. It is however no longer increased by investment management costs and interest on endowment borrowing as in previous years with these being reflected in a reduction to the gains figure in the accounts. This approach is more in line with the accounting treatment used by other Colleges.

The key figures are summarised below.

	2020/21 £000	2019/20 £000	Change £000
Drawdown permitted under spending rule	5,305	5,349	(44)
Reduction due to unrestricted donations	(3,413)	(2,843)	(570)
Sub-total	1,892	2,506	(614)
Gross up for costs of investment management	-	2,250	(2,250)
Endowment transfer in the Statement of Comprehensive Income and Expenditure	1,892	4,756	(2,864)

Donations and Fundraising

The College is dependent on the philanthropic donations from Caians, parents of Caians and friends of the College to build its endowment and to fund some of its annual activities. Following a comprehensive review of

the fundraising and alumni relation strategy, in February 2021 the College Council approved fundraising priorities with a strong focus on increasing sources of support for outreach programmes, and undergraduate and graduate students.

The College is registered with the Fundraising Regulator and adheres to its Code of Fundraising Practice, subject to the terms and conditions agreed by the Colleges of the University of Cambridge and the Fundraising Regulator, as set out in the letter from the Chief Executive of the Fundraising Regulator, Stephen Dunmore, dated 20th July 2017.

The key staff responsible for fundraising are the Director, Deputy Director of Development and the Senior Development Officer, supported by a team of five.

The Development and Alumni Relations Office actively seeks lifetime gifts and legacies for teaching, research, student support and the maintenance and improvement of the College's buildings and heritage assets as well as general support of the College activities. Solicitation methods include face-to-face meetings, telephone calls, emails and letters from Development and Alumni Relations Office staff. The Office also conducts two annual fund appeals: a digital Giving Day campaign and a traditional telephone campaign. Both campaigns are managed by our staff with technical support from expert consultants.

No complaints were received about the College's fundraising activities during the year. Any requests to be withdrawn from fundraising approaches were implemented immediately.

To protect vulnerable people and others, any potential supporters included in a telephone fundraising campaign are sent a pre-call letter, making clear the purpose of the call and offering the opportunity to be withdrawn from the Campaign. During the telephone fundraising campaign the list of those wishing to be excluded is updated on a daily basis.

The College has signed up for AmazonSmile and the Paypal Giving Fund but otherwise does not use third-party professional fundraisers or commercial participators.

Fundraising income is a crucial source of revenue and comes in the form of regular or one-off gifts and bequests left in wills. Caius is deeply grateful to its historic and current benefactors, which it recognises through membership of various groups and the entitlement to attend exclusive events.

Donations, which amounted to £5.046m, are shown in four places within the Statement of Comprehensive Income and Expenditure:

- New endowments of £1,091,000 for existing and some new funds. They provide income for the long term.
- Unrestricted donations of £3,705,000 immediately available for general purposes.
- Donations of £100,000 for specific purposes and immediate use.
- Donations of £148,000 to fund the refurbishment of the Boathouse.

Some of the unrestricted donations carried expressions of wish for their use and the College Council has designated commensurate reserves to purposes consistent with those wishes.

Expenditure

Nearly 50% of expenditure is staffing costs, allocated to various categories. The overall numbers of Fellows and permanent Staff in the College at 30 June were as follows:

	30 June 2021	30 June 2020	Change
Number of Fellows	108	107	1
Number of Staff (FTEs)	145	148	(3)

University Contribution

The sum levied is redistributed by the Colleges' Fund to less wealthy colleges. Colleges' contributions are determined principally by reference to the value of their endowments and the number of their students. In the year the Colleges' Fund Committee, which determines the allocation of funds to poorer colleges, exceptionally permitted donee colleges to use the funds immediately rather than requiring them to add the receipts to endowment, recognising the financial pressures put upon poorer colleges by Covid.

Capital and Reserves

Total capital and reserves stood at £377.6m at 30 June 2021 (30 June 2020: £341.9m). The College's unrestricted funds amount to £285.1m (30 June 2020: £262.4m) and are represented in the balance sheet by the College's operational buildings and heritage assets valued at £137.8m. The free reserves are therefore £147.3m of the investment portfolio. The restricted endowments amount to £84.6m, represented by part of the investment portfolio. There is also a restricted reserve of £7.8m built up from restricted but expendable donations and unspent income relating to the funds in the endowment reserve.

The College intends to continue to pursue its objects in perpetuity. Its activities require income support from its investments comprising its free reserves. The College Council is aware of the need for financial prudence and has been taking steps to increase its free reserves by reducing the expendable amount, developing the conference business and growing the endowment through prudent investments, development opportunities within the property portfolio and donations. The level of reserves is reviewed routinely by the Finance Committee and in response to any relevant, specific interim request for expenditure but as a general matter the income arising from free reserves is considered integral to the College's operations and required to deliver its charitable objectives. Although the college's other income streams are reasonably stable in the short term, the free reserves also provide support in the event of an unforeseen downturn in the college's operating or investment income arising from wider economic uncertainty. In addition the reserves are required to permit the repayment of £5.9m outstanding debt drawn for operational purposes.

Investments

The Investments of the College increased from £226m to £260m at 30 June 2021. Property assets include £10m financed by a loan from the 2013/14 Cambridge Colleges Private Placement.

Decisions on investment policy are taken by the College Council on the advice of the Investments Committee. The Investments Committee, appointed by the College Council, comprises the Master, the Senior Bursar, three other Fellows of the College and four experienced external members. An Investment Property sub-committee reports to the Investments Committee and focuses on the College's extensive directly property held portfolio.

Financial investments are managed under a discretionary mandate by Partners Capital LLP and the CCLA Investment Management Limited. Directly held property investments are managed with the assistance of its agents Bidwells LLP who are responsible for the collection of rent.

The College has interests in three shared equity house purchase arrangements with Fellows of the College.

The investment asset allocation comprises:

	June 21 £000	June 20 £000	June 19 £000	June 18 £000	June 17 £000
Total Return	17.3%	1.8%	3.9%	7.7%	12.7%
Cash	8,497	8,338	12,419	8,413	2,924
Fixed income	-	266	-	-	-
Credit	5,442	5,256	6,243	2,851	2,858
Hedge funds – absolute return	7,252	3,878	12,225	11,998	15,251
Hedge funds – hedged equities	11,228	12,411	10,630	13,604	15,870
Public equity	93,310	77,559	62,222	60,935	56,359
Private equity	24,399	18,676	21,933	17,609	16,421
Private debt	4,832	4,367	4,661	5,405	5,795
Core property	91,607	84,271	88,710	91,222	87,776
Property funds	2,503	2,365	4,591	5,540	2,849
Infrastructure and operating assets	5,232	4,671	-	-	-
Contractual and other income	1,606	1,770	-	-	-
Inflation linked bonds and inflation hedges	3,922	2,512	3,825	3,517	3,897
Total Investments	259,830	226,340	227,459	221,094	210,000
Private Placement	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Net Investments	249,830	216,340	217,459	211,094	200,000

The College aims to grow the endowment to £300m. This is because the College has grown significantly in the past fifty years and a prudent view is taken of long term annual investment returns required to meet the College's annual needs.

Current market conditions, including the impact of Brexit, continue to concern the Investments Committee. Therefore the College has gradually reduced its withdrawal percentage under the spending rule from 4% in 2013/14 to 2.625% for 2020/21.

Statement of Investment Responsibility

The primary fiduciary responsibility of the College Council in investing and managing the Endowment is to maximise the financial return on those resources, taking into account the amount of risk permitted within the College's investment policy. There are circumstances, however, described in Charity Commission guidance and founded in judicial decisions, when the College may balance against its primary responsibility considerations of the ethical nature of investments. Therefore as an eleemosynary institution established to exist in perpetuity and a long-term investor, the College will take due care to ensure that its investment management reflects the interests and values of the College. This includes matters of sustainability and environmental, social, and governance issues (together referred to as 'ESG issues' or 'responsible investment') among the many factors that inform its investment decision-making and manager selection.

Financial Assets

The College believes that by engaging in a broad set of extra-financial considerations, the long-term financial performance of the portfolio of financial assets can be improved. The College judges the extent to which responsible investing is successfully integrated within the investment portfolio with the help of our investment managers and through scrutiny of the investment managers' actions and success in managing those issues in the investments they make on the College's behalf. How our investment managers consider ESG issues in their investment decisions, analysis, and monitoring on the College's behalf varies by asset-class and investment strategy.

Where our investment managers invest on our behalf through independent third-party asset managers, they seek to integrate and manage ESG issues through an operational due diligence framework to assess such third-party asset managers. This framework includes an ESG due diligence section to ensure that ESG-related questions are assessed and considered during the due diligence process. After making an investment they continue to monitor identified ESG risks and maintain a dialogue with the third-party assets managers to ensure effective oversight and application of responsible investment best practices. The College scrutinises its investment managers in relation to the effectiveness of their application of those processes and ESG engagement with the relevant third-party asset managers.

Where our investment managers invest on our behalf in their own managed funds, we consider carefully the ethical and responsible investment policy of those funds in the process of selecting those fund managers. The College scrutinises those managers in relation to the effectiveness of their application of ESG criteria in the selection of assets for acquisition or disposal and engagements with investee companies. In this context the following document is relevant at page 9:

<https://www.ccla.co.uk/sites/default/files/COIF%20Charities%20Investment%20Fund%20-%20Scheme%20Particulars%2029.09.21.pdf>

As a general matter, the College insists that its investment managers demonstrate a very high standard of integrity towards their clients, their staff and the relevant regulatory authorities. Where any breaches of integrity are detected, the assets under management may be moved to another fund manager.

The College holds minimal holdings in 'fossil fuel' stocks which are limited to historic private equity positions which are in run-off. On 2nd July 2021 the College transferred £63m managed by CCLA Investment Management Limited from the COIF Charities Investment Fund to the COIF Charities Ethical Investment Fund.

Directly-held Property Assets

The College holds substantial property assets which it manages directly. These include residential, commercial, retail and agricultural properties. The policy for ensuring sustainable management of these assets, including particularly the rural estates, is under review. The College is actively involved with other similar property owners to determine how matters of environmental sustainability can be managed for the good of the estate in perpetuity.

Operational Assets

Fixed assets are principally the operational buildings of the College. Of the total expenditure on operational asset additions of £3,433,000 during this year were £2,911,000 was spent on the kitchen refurbishment and the remainder on other student accommodation and IT and AV systems.

The College also spent £1,108,000, which included the salaries of the in-house maintenance team, on continuing maintenance and repair of its buildings.

The College maintains a seven year forward programme of works. With the completion of the kitchen project, commenced in June 2019 and completed during the past year, the next major project will be the refurbishment of the Aston Webb building (A to F staircases St Michael's Court) which is in its planning phase.

Trusts and Funds of the College

The majority of the donations to the College are unrestricted and allow the College Council to determine their use. Other donations are for specific purposes, e.g. bursaries, lectureships and studentships. Each of these restricted donations must be accounted for in a separate fund. With some exceptions, notably the Tapp Trust, the underlying assets are invested on an amalgamated basis with a record of the share of the assets and income attributable to each fund to ensure donors' wishes are observed.

Principal Risks and Uncertainties

College Council considers matters of risk on a regular basis through its committees and sub-committees and the risks that are faced by the College can be categorised into physical operational risks, academic and reputational risks and financial risks. Financial impacts of risks are covered in various ways by the College's insurance policy and the level and nature of the cover is reviewed on an annual basis. The College also maintains and tests a business continuity plan. Each College Committee considers the risks that relate to its area of responsibility and in addition the College has a Health, Safety and Security Committee to address these issues for the College as a whole.

Financial risks are addressed by the Finance Committee and the Investments Committee. The College is dependent on its endowment and reviews its investment policies on an annual basis in order that it balances the need to achieve high returns and manage risk. The Finance Committee is responsible for reviewing the level of expenditure that can be supported by income and together with the Investment Committee establishes an appropriate level of withdrawal from the endowment to ensure the long term future of the College while providing a fair and appropriate level of funding for the current cohort of students and thus ensuring that inter-generational equity is maintained.

At the time of approval of these accounts, the principal, specific risks facing the College and which it has limited control over arise from: the continuing pandemic including the provision of face to face and operational support as a result of illness; the impact of Brexit and other economic developments on the recruitment of support staff; the potential impact of the revisions to the funding of university education following the Augar Review; and the outcome of the funding proposals for the University Superannuation Scheme.

Future Developments

Although relatively well-endowed the College supports one of the largest communities of students and Fellows. It has the benefit of a strong fundraising team, and a committed Investments Committee. The higher education sector continues to be subject to uncertainties including the level and form of government support for tuition and research, visa requirement extending to citizens of more countries as a barrier to accessing UK education and research positions, the preparedness of foreign governments to support and encourage their citizens to come to the UK for higher education, international competition for students and academic staff, the continuing effects and uncertainties of Covid, the funding of the Universities Superannuation Scheme and growing discontent over the erosion of academic pay. The value of the regulated fee continues to be eroded by inflation while the Office for Students demands more of outreach and participation targets which needs to be funded. Considering these, the College sees the immediate key challenges and priorities as:

- delivering education safely where resurgence of Covid infections remain a threat and curbs regular activities;
- dealing with the effects of Brexit, in particular the long-term effect on recruitment of the most talented Fellows and students and the immediate problems it has had on the availability of staff for certain core services;
- maintaining the high level of teaching, either one to one or in small groups, that is core to the educational experience offered by Cambridge University;
- attracting suitably qualified students from the widest possible range of backgrounds;
- providing students with adequate support through bursary schemes to enable them to study without the distraction of financial concerns;
- responding to the requirements of Access and Participation Plans agreed with the Office for Students;

- strengthening the College's support for graduate study and for research;
- attracting and retaining an active Fellowship that is committed to excellence in research and teaching, in a global marketplace for academic talent;
- addressing the risks arising from climate change and developing appropriate actions in the maintenance and adaption of its operating estate and policies to address climate change risks and requirements in its investment policies;
- maintaining the beautiful historic and modern buildings and upgrading them to meet the requirements and aspirations of our students, current health and safety standards and modern IT requirements; and
- growing the College's investments in order to fund the above.

In order to meet these challenges, in 2017 the College completed a master planning project, seeking to identify options for the estate over the next three decades. Options arising continue to be considered focussing in the near and medium term on the current three site structure for the College's operational buildings. Work on specific options is now commencing.

Corporate Governance

The following statement is provided by the College Council to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

The College is a registered charity (registered number 1137536) and subject to regulation by the Charity Commission for England and Wales. The members of the College Council are the charity trustees and are responsible for ensuring compliance with charity law.

The College Council is advised in carrying out its duties by seven main committees:

Development Committee
Domestic and Catering Committee
Education and Research Committee
Finance Committee
Investments Committee, supported by the Investment Property Sub-Committee
Works and Accommodation Committee
Personnel Committee

There are Registers of Interests of members of College Council and of senior administrative officers. Declarations of interest are made systematically at all the main Committee meetings.

The principal officers of the College are the Master, the President, the Senior Tutor, the Senior Bursar, the Domestic Bursar and the Registrar.

The Finance Committee's principal duties are to consider long-term financial strategy, to oversee the financial management of the College, to recommend annual budgets to the College Council keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the College Council on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make an annual report to the College Council. Membership of the Finance Committee includes the Master, the Senior Bursar, the Domestic Bursar, the Development Director and four fellows with appropriate skills and experience, including at least one tutor and one teaching fellow.

The composition of the College Council during the year ended 30 June 2021 is set out on page 2.

Statement of Internal Control

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2021 and continues to provide reasonable but not absolute assurance of effectiveness.

The College Council is responsible for reviewing the effectiveness of the system of internal control. This review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Senior Bursar and the 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.

Responsibilities of the College Council

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

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

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

The College Council is responsible for keeping accounting records that disclose, with reasonable accuracy at any time, the financial position of the College and ensure that the financial statements comply with the Statutes of the University of Cambridge. The College Council is also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The College Council 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.

On behalf of the College Council

Professor Philippa Rogerson

 Dated 10th November 2021

Independent auditors' report to the Council of Gonville & Caius College, Cambridge

Opinion

We have audited the financial statements of Gonville & Caius College (the 'College') for the year ended 30 June 2021 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 College's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to

determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Council

As explained more fully in the responsibilities of the Council statement set out on page 14, the Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House

Station Road

Cambridge

CB1 2LA

Date: 30 November 2021

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

Statement of Principal Accounting Policies for the Year Ended 30 June 2021

Basis of Preparation

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

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

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

Basis of Accounting

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

Going concern

The global health crisis caused by COVID-19 has had a significant impact on all businesses. College activities were seriously curtailed during the year and in particular many students were out of residence in the Lent Term 2021. All students returned to the College in October 2021 and the majority of College activities have resumed at the date of this report. However, it is unlikely that significant conference activity will be resumed in the short term.

The Trustees prepared forecasts for the period to 2023 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has taken measures to reduce its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has sought to utilise financial measures announced by the Chancellor of the Exchequer, on behalf of HM Treasury to support and provide funding to businesses during this time. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

Basis of Consolidation

The consolidated financial statements include the College and two of its subsidiary undertakings, Caius Conferences Ltd and Caius Property Services Ltd. Intra-group transactions are eliminated on consolidation. A separate balance sheet and related notes for the College only are not included because the balance sheet of the College would not be materially different to the one included in the accounts. The other subsidiary undertaking, Budworth Development Ltd, had no financial transactions in the year to 30th June 2021. Details of the subsidiaries are set out in Note 27.

The Consolidated Financial Statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no direct control.

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.

Restricted grant income

Grants for restricted purposes are recognised as income to the extent that relevant expenditure has been incurred.

Income from research grants

Income from research grants is included to the extent of the completion of the contract or service concerned.

Donations and benefactions

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.

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 and other services rendered.

Total return basis of accounting

The college manages its investment portfolio and allocates the related earnings for expenditure in accordance with the “total return” concept. The endowment spending policy is designed to preserve the real value of the portfolio over time. The spending policy attempts to achieve this objective by using a long-term targeted spending rate with this being annually reviewed. This has been reduced in steps in recent years and for the year to 30 June 2021 this was reduced from 2.75% to 2.625% of the value of investments at 31 March 2020.

Cambridge Bursary Scheme

During the year, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC) and Cambridge University has reimbursed the College for their portion. As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £221,000 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£175,000
Expenditure	£396,000

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Tangible Fixed Assets

Buildings

Buildings are stated at deemed cost following a comprehensive revaluation exercise that was carried out in 2016 with the valuation effective from 1 July 2014. Freehold buildings are now depreciated on a straight line basis over their expected useful economic lives as independently assessed with building elements ranging from 15 to 112 years. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

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

Maintenance of premises

The College has an estate strategy and a five-year rolling maintenance plan which are reviewed on an annual basis. The cost of routine maintenance is charged to the income and expenditure account as it is incurred. The cost of refurbishment is capitalised and depreciated over the expected useful economic life with a £10,000 limit applied for capitalisation.

Equipment

Furniture, fittings and equipment costing less than £10,000 per individual item, or group of related and interconnected items, is written off in the year of acquisition. All other assets are capitalised and depreciated over the expected useful lives of the assets, which are as follows:

Major equipment and software	5 years
Furniture and fittings	10 years
Computer equipment	3 years
Motor vehicles and general equipment	5 years

These assets are assumed to be scrapped once they reach the end of their estimated useful lives. Therefore they are eliminated from the financial statements at this point.

Leased assets

Fixed assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the lease. The excesses of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.

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 1 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

Securities

Securities are shown at their market value. For listed investments this is the middle market quotation ruling at the close of business on 30 June. Overseas investments are translated into sterling at the rates of exchange ruling at that date. Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included as earned. Interest purchased or sold as part of the price for investments is treated as capital rather than being brought into the income and expenditure account.

Properties

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to the investment revaluation reserve, where properties are held by the college, or credited to restricted funds, where a restricted fund holds property.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Provisions

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

Contingent liabilities

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

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

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

Financial Instruments

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

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

Financial assets

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

reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

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

Financial Liabilities

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

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

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

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

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

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

Endowment Funds

Endowment funds are classified under two headings:

- where the donor has specified that the fund is to be permanently invested to generate an income stream for the general purposes of the College, the fund is classified as an unrestricted permanent endowment; and
- where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied for a restricted purpose, the fund is classified as a restricted permanent endowment.

Taxation

The College is a registered charity (number 1137536) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes

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

Contribution under Statute G,II

The College is liable to be assessed for contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is advised to the College by the University, based on an assessable amount derived from the value of the College's assets at the end of the previous financial year.

Pension Schemes

The College pays contributions to three pension schemes which provide benefits to its members based on final pensionable salary. The assets of these schemes are held separately from those of the College. In addition the Colleges administers a closed non-contributory scheme, which is recorded separately in the College balance sheet.

Universities Superannuation Scheme

The College participates in Universities Superannuation Scheme (the scheme). With effect from 1 October 2016, the scheme changed from a defined benefit only to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Cambridge Colleges Federated Pension Scheme

The College also contributes to the Cambridge Colleges Federated Pension Scheme (CCFPS), which is a similar defined benefit pension scheme. Unlike the USS, this scheme has surpluses and deficits directly attributable to individual colleges. Current service costs, assessed by the scheme actuary, are included as part of staff costs. The expected return on assets less the interest costs is shown as a net amount as part of interest income or costs. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date for accounting purposes. The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 June 2017 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.

Church of England Funded Pensions Scheme

The College also participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Boards, which holds the assets of the schemes separately from those of the Employer and the other participating employers. Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the statement of income and expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

Staff Pension Fund

The College runs a defined benefit scheme, funded by the College, which is closed to new members. Benefit payments are accounted for when payments are made.

Employment benefits

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

Reserves

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold in perpetuity. Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

Critical accounting judgements

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

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

Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the 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 note 9.

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

Investment property – Properties are revalued to their fair value at the reporting date by 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 and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 26.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts. As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 26.

Consolidated Statement of Comprehensive Income and Expenditure for the Year Ended 30 June 2021

	Note	2021				2020			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	3,805	175	-	3,980	3,719	149	-	3,868
Accommodation, catering and conferences	2	3,667	-	-	3,667	4,474	-	-	4,474
Investment income	3	-	-	4,895	4,895	-	-	5,623	5,623
Endowment return transferred	3	-	1,892	(1,892)	-	2,009	2,747	(4,756)	-
Other income		259	-	-	259	448	-	-	448
Total income before donations and endowments		7,731	2,067	3,003	12,801	10,650	2,896	867	14,413
Donations									
New endowments		3,705	100	-	3,805	2,843	69	-	2,912
Other capital grants for assets		-	65	1,026	1,091	-	42	871	913
		-	148	-	148	-	56	-	56
Total income		11,436	2,380	4,029	17,845	13,493	3,063	1,738	18,294
Expenditure									
Education	4	7,026	1,856	-	8,882	6,356	1,590	-	7,946
Accommodation, catering and conferences	5	6,330	-	-	6,330	6,431	-	-	6,431
Other expenditure	6	997	112	6,008	7,117	819	1,079	-	1,898
Contribution under Statute G,II		206	-	-	206	194	-	-	194
Total expenditure		14,559	1,968	6,008	22,535	13,800	2,669	-	16,469
Surplus/(deficit) before other gains and losses		(3,123)	412	(1,979)	(4,690)	(307)	394	1,738	1,825
Gain/(loss) on investments	3	23,921	699	13,968	38,588	2,550	(10)	(2,134)	406
Surplus/(deficit) for the year		20,798	1,111	11,989	33,898	2,243	384	(396)	2,231
Other comprehensive income/(expenditure)									
Actuarial gain/(loss) in respect of pension schemes	16	1,780	-	-	1,780	(923)	-	-	(923)
Total comprehensive income for the year		22,578	1,111	11,989	35,578	1,320	384	(396)	1,308

The notes on pages 31 to 54 form part of these accounts.

Consolidated Statement of Changes in Reserves

Year ended 30 June 2021

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	£000
Balance at 1 July 2020	£000	£000	£000	£000
Surplus/(Deficit) from income and expenditure statement	262,405	4,614	74,908	341,927
Other comprehensive income/(expenditure)	20,798	1,111	11,989	33,898
Transfer between restricted and endowment funds	1,780	-	-	1,780
Release of restricted capital funds spent in the year	148	2,269	(2,269)	-
Balance at 30 June 2021	285,130	7,846	84,628	377,604
Balance at 1 July 2019	261,029	4,286	75,304	340,619
Surplus/(Deficit) from income and expenditure statement	2,243	384	(396)	2,231
Other comprehensive income	(923)	-	-	(923)
Release of restricted capital funds spent in the year	56	(56)	-	-
Balance at 30 June 2020	262,405	4,614	74,908	341,927

The notes on pages 31 to 54 form part of these accounts.

Consolidated Balance Sheet as at 30 June 2021

		2021	2020
		£000	£000
	Note		
Non-current assets			
Fixed assets	9	137,705	136,367
Heritage assets	9	120	113
Investment assets	10	<u>259,830</u>	<u>226,340</u>
Total non-current assets		397,655	362,820
Current assets			
Stock	11	594	629
Trade and other receivables	12	3,036	3,112
Cash and cash equivalents	13	<u>3,389</u>	<u>3,371</u>
Total current assets		7,019	7,112
Creditors: amounts falling due within one year	14	<u>(4,484)</u>	<u>(3,393)</u>
Net Current assets		2,535	3,719
Total Assets less current liabilities		400,190	366,539
Creditors: amounts falling due after more than one year	15	<u>(15,584)</u>	<u>(15,942)</u>
Net assets excluding pension liability		384,606	350,597
Net pension liability	16	<u>(7,002)</u>	<u>(8,670)</u>
Net assets		<u>377,604</u>	<u>341,927</u>
Restricted reserves			
Income and expenditure reserve – endowment reserve	17	84,628	74,908
Income and expenditure reserve – restricted reserve	18	7,846	4,614
Unrestricted reserves			
Income and expenditure reserve – unrestricted		285,130	262,405
Total Reserves		<u>377,604</u>	<u>341,927</u>

Approved by the College Council on 10th November 2021 and signed on their behalf by Mr Robert Gardiner, Senior Bursar



The notes on pages 31 to 54 form part of these accounts.

Consolidated Cash Flow Statement as at 30 June 2021

	Note	2021 £000	2020 £000
Net cash inflow /(outflow) from operating activities	20	47	(2,148)
Cash flows from investing activities	21	970	800
Cash flows from financing activities	22	(999)	3,129
Increase/(decrease) in cash and cash equivalents in the year	23	<u>18</u>	<u>1,781</u>
Cash and cash equivalents at beginning of the year		3,371	1,590
Cash and cash equivalents at end of the year		<u>3,389</u>	<u>3,371</u>

The notes on pages 31 to 54 form part of these accounts.

Notes to the Accounts 2020/21

1 Academic fees and charges

	2021 £000	2020 £000
College fees:		
Fee income received at the Regulated Undergraduate rate	2,520	2,441
Fee income received at the Unregulated Undergraduate rate	536	547
Fee income received at the graduate rate	708	698
	<u>3,764</u>	<u>3,686</u>
Income for Cambridge Bursaries	175	149
Other income	41	33
	<u>175</u>	<u>149</u>
Total	<u>3,980</u>	<u>3,868</u>

2 Income from accommodation, catering and conferences

		2021 £000	2020 £000
Accommodation	College members	3,073	2,784
	Conferences	69	792
Catering	College members	470	542
	Conferences	55	356
Total		<u>3,667</u>	<u>4,474</u>

3 Endowment and Investment income**3a Analysis**

	2021	2020
	£000	£000
Total return contribution (see note 3b)	1,892	4,756

3b Summary of Total Return

	2021	2020
	£000	£000
Income from:		
Land and buildings	3,075	3,365
Quoted and other securities and cash	1,820	2,257
Gains on endowment assets:		
Land and buildings	7,435	(4,361)
Quoted and other securities and cash	31,152	4,767
Investment Management costs (see note 3c)	(6,008)	(2,250)
Total Return for year	<u>37,474</u>	<u>3,778</u>
Total Return transferred to Income and Expenditure Account	(1,892)	(4,756)
Investment management costs (see note 3c)	-	2,250
Total return expendable amount	<u>(1,892)</u>	<u>(2,506)</u>
Unapplied Total Return for Year included within Statement of Comprehensive Income and Expenditure (see note 19)	<u>35,582</u>	<u>1,271</u>

3c Investment management costs

	2021	2020
	£000	£000
Land and buildings	1,582	1,070
Other investments	4,426	1,180
Total	<u>6,008</u>	<u>2,250</u>

4 Education Expenditure	2021	2020
	£000	£000
Teaching	3,516	3,472
Tutorial	1,341	1,286
Admissions	290	346
Research	1,026	1,070
Scholarships and awards	1,991	1,054
Other educational facilities	690	685
Other educational expenses	28	33
Total	8,882	7,946

5 Accommodation, Catering and Conferences Expenditure	2021	2020
	£000	£000
Accommodation:		
College members	4,836	4,529
Conferences	43	343
Catering:		
College members	1,312	1,100
Conferences	139	459
Total	6,330	6,431

6 Other Expenditure	2021	2020
	£000	£000
Investment management and administration	5,557	1,780
Interest	667	640
Pension scheme losses (gains) and other non-cash pension charges	151	(1,397)
Other general and administrative	742	875
Total	7,117	1,898

7a Analysis of 2020/2021 Expenditure by Activity

	Staff costs	Other		
	(Note 8)	Operating	Depreciation	Total
	£000	Expenses	(Note 9)	£000
Education (note 4)	4,081	4,319	482	8,882
Accommodation, catering and conferences (note 5)	3,141	1,580	1,609	6,330
Other (note 6)	466	6,647	4	7,117
Contribution under Statute G,II	-	206	-	206
Total	7,688	12,752	2,095	22,535

Expenditure includes Development Office costs of £514,000. This expenditure includes the cost of alumni relations.

7b Analysis of 2019/2020 Expenditure by Activity

	Staff costs (Note 8)	Other Operating Expenses	Depreciation (Note 9)	Total
	£000	£000	£000	£000
Education (note 4)	4,049	3,456	441	7,946
Accommodation, catering and conferences (note 5)	3,432	1,477	1,522	6,431
Other (note 6)	479	1,415	4	1,898
Contribution under Statute G,II	-	194	-	194
Total	7,960	6,542	1,967	16,469

Expenditure includes Development Office costs of £483,000. This expenditure includes the cost of alumni relations.

7c Auditors' remuneration	2021	200
	£000	£000
Other operating expenses include:		
Audit fees payable to the College's external auditors	29	26
Other fees payable to the College's external auditors	3	7
Total	32	33

8 Staff costs

	Academic	Non-academic	Total 2021	Total 2020
	£000	£000	£000	£000
Salaries	1,978	4,136	6,114	6,366
National insurance	235	332	567	576
Other pension costs	436	571	1,007	1,018
Total	2,649	5,039	7,688	7,960

	Average staff numbers 2021		Average staff numbers 2020	
	Number of Fellows	Number of Non-Fellows	Number of Fellows	Number of Non-Fellows
Academic (number receiving a stipend)	77	10	74	13
Non-Academic (full-time equivalents)	2	145	2	148
Total	79	155	76	161

At the balance sheet there were 108 members of the Governing Body. During the year the average number receiving remuneration was the 79 shown above.

One officer of the College received remuneration in the range of £100,000 to £110,000 (2020: One). 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 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.

For the College these are the Master, the Senior Bursar and the Senior Tutor. During the year remuneration paid to key management personnel was £268,000 (2020: £329,000).

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

9 Fixed Assets

	Land	College Buildings	Assets in construction	Furniture & Equipment	Total 2021	Total 2020
	£000	£000	£000	£000	£000	£000
Cost/Valuation						
At beginning of year	62,220	80,637	4,385	333	147,575	143,876
Additions	-	3,202	118	113	3,433	3,732
Disposals at cost/valuation	--	-	-	(79)	(79)	(33)
Transfers		4,257	(4,257)	-		
At end of year	62,220	88,096	246	367	150,929	147,575
Depreciation						
At beginning of year		11,036	-	172	11,208	9,274
Charge for the year		2,017		78	2,095	1,967
Eliminated on disposal				(79)	(79)	(33)
At end of year		13,053		171	13,224	11,208
Net book value						
At end of year	62,220	75,043	246	196	137,705	136,367
At beginning of year	62,220	69,601	4,385	161	136,367	134,602

The insured value for rebuilding of freehold operational buildings (excluding investments assets) at 30 June 2021 is £231m, compared with the 2020 total of £223m.

Heritage assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. As stated in the principal accounting policies, heritage assets acquired since 1999 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of 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 four years were as follows:

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Balance brought forward	113	101	97	90	90
Acquisitions purchased with College funds	7	12	4	7	-
Total	120	113	101	97	90

10 Fixed Asset Investments

	2021	2020
	£000	£000
Balance at beginning of year	226,340	227,459
Additions	36,717	81,252
Disposals	(30,957)	(79,259)
Appreciation	33,875	406
(Decrease)/Increase in cash balances held by fund managers	(6,145)	(3,518)
Balance at end of year	259,830	226,340

	2021	2020
	£000	£000
Represented by:		
Cash	8,497	8,338
Fixed income	-	266
Credit	5,442	5,256
Hedge funds - absolute return	7,252	3,878
Hedge funds - hedged equities	11,228	12,411
Public equities	93,310	77,559
Private equity	24,399	18,676
Private debt	4,832	4,367
Core property	91,607	84,271
Property funds	2,503	2,365
Infrastructure and operating assets	5,232	4,671
Contractual and other income	1,606	1,770
Inflation linked bonds and inflation hedges	3,922	2,512
Total	259,830	226,340

11 Stocks and work in progress

	2021	2020
	£000	£000
Wine stocks	579	619
Bar, kitchen and other stocks	15	10
Total	594	629

12 Trade and other receivables

	2021	2020
	£000	£000
Members of the College	287	250
Commercial rents	453	679
Donations	2,083	1,831
Other debtors	127	283
Prepayments and accrued income	86	69
Total	3,036	3,112

13 Cash and cash equivalents

	2021	2020
	£000	£000
Current accounts	3,389	3,371
Total	3,389	3,371

14 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	2,682	1,781
Bank loan due for repayment within a year	360	360
Members of the College	616	458
University fees	65	37
Commercial rent deferred income	486	528
Contribution to Colleges Fund	206	194
Other creditors	69	35
Total	4,484	3,393

**15 Creditors: amounts falling due
after one year**

	2021	2020
	£000	£000
Bank loans	5,584	5,942
Other loans	10,000	10,000
Total	<u>15,584</u>	<u>15,942</u>

During 2014 the College borrowed from institutional investors, collectively with other Colleges, the College's share being £10 million. The loans were made in two stages, are unsecured and repayable during the period 2042-2053, and are at fixed interest rates of 4.4% for the first part and 4.45% for the second. Although issued through a funding vehicle, the College has no responsibility for the obligations of any of the other issuing Colleges. In addition the College has an existing unsecured bank loan which is repayable over a period of 21 years, at a fixed rate of 4.59%.

16 Pension liabilities**Year to 30 June 2021**

	CCFPS	USS	Other	Total
	£000	£000	£000	£000
Balance at beginning of year	6,753	1,594	323	8,670
Movement in year:				
Current service cost including life assurance	251	-	(3)	248
Contributions	(302)	(82)	(44)	(428)
Change in expected contributions	-	176	-	176
Other finance cost	99	12	4	115
Actuarial (gain)/loss recognised in Statement of Comprehensive Income and Expenditure	(1,790)	-	11	(1,779)
Balance at end of year	5,011	1,700	291	7,002

Year to 30 June 2020

	CCFPS	USS	Other	Total
	£000	£000	£000	£000
Balance at beginning of year	5,789	3,053	339	9,181
Movement in year:				
Current service cost including life assurance	248	-	(3)	245
Contributions	(314)	(46)	(44)	(404)
Change in expected contributions	-	(1,461)	-	(1,461)
Other finance cost	131	48	7	186
Actuarial (gain)/loss recognised in Statement of Comprehensive Income and Expenditure	899	-	24	923
Balance at end of year	6,753	1,594	323	8,670

17 Endowment funds	Restricted Permanent	Unrestricted Permanent	Total 2021	Total 2020
	£000	£000	£000	£000
Balance at beginning of year:				
Capital	74,908	-	74,908	75,304
New donations and endowments	1,026	-	1,026	872
Increase / (Decrease) in market value of investments	10,963	-	10,963	(1,268)
Transfer to restricted funds	(2,269)		(2,269)	-
Balance at end of year	84,628	-	84,628	74,908
Analysis by type of purpose				
Fellowship, Research, Scholarship and Studentship Funds	64,976	-	64,976	58,191
Prizes Funds	782	-	782	679
Bursaries, Hardship and Travel Funds	9,109	-	9,109	7,570
General and Other Trust Funds	9,761	-	9,761	8,468
Balance at end of year	84,628	-	84,628	74,908
Analysis by asset				
Property	32,361	-	32,361	30,335
Investments	49,558	-	49,558	41,950
Cash	2,709	-	2,709	2,623
Balance at end of year	84,628	-	84,628	74,908

18 Restricted Reserves	Capital Grants unspent £000	Permanent Unspent and other restricted income £000	Restricted expendable endowment £000	Total 2021 £000	Total 2020 £000
Balance at beginning of year:					
Capital	-	-	774	774	737
Accumulated income	-	3,840	-	3,840	3,549
Total	-	3,840	774	4,614	4,286
 New grants	 148	 175	 -	 323	 205
New donations	-	100	66	166	111
 Endowment return transferred	 -	 1,873	 18	 1,891	 2,747
Increase in market value	-	582	117	699	(10)
 Expenditure	 -	 (1,965)	 (3)	 (1,968)	 (2,669)
Capital grants utilised	(148)	-	-	(148)	(56)
Transfer from endowment funds		1,317	952	2,269	-
Total	-	5,922	1,924	7,846	4,614
 Balance at end of year					
Capital	-	-	1,924	1,924	774
Accumulated income	-	5,922	-	5,922	3,840
Total	-	5,922	1,924	7,846	4,614
Analysis of restricted funds by type of purpose					
Analysis by type of purpose					
Fellowship, Research, Scholarship and Studentship Funds	-	4,816	952	5,768	2,979
Prizes Funds	-	300	-	300	245
Bursaries, Hardship and Travel Funds	-	684	972	1,656	1,270
General and Other Trust Funds	-	122	-	122	120
Total	-	5,922	1,924	7,846	4,614

19 Memorandum of Unapplied Total Return

Included within reserves, the following amounts represent the Unapplied Total Return of the College:

	<i>Note</i>	2021	2020
		£000	£000
Unapplied Total Return at beginning of year		113,248	111,977
Unapplied Total Return for the year	<i>3b</i>	35,582	1,271
Unapplied Total Return at end of year		<u>148,830</u>	<u>113,248</u>

20 Reconciliation of consolidated surplus for the year to net cash inflow/(outflow) from operating activities

	2021	2020
	£000	£000
Surplus for the year	35,678	1,308
Adjustment for non-cash items		
Depreciation	2,094	1,967
Gain on endowments, donations and investment property	(38,588)	(406)
Decrease (increase) in stocks	35	9
Decrease/(increase) in trade and other receivables	1,092	(1,161)
Increase/(decrease) in creditors	76	(152)
Pension costs less contributions payable	(1,669)	(511)
Adjustment for investing or financing activities		
Investment income	(4,895)	(5,623)
Investment expenditure	5,557	1,780
Interest payable	667	641
Net cash inflow/(outflow) from operating activities	<u>47</u>	<u>(2,148)</u>

21 Cash flows from investing activities

	2021	2020
	£000	£000
Non-current investment disposal	2,393	60,183
Investment income	3,086	3,659
Investment expenditure	(977)	(1,422)
Payments to acquire non-current assets	(3,532)	(61,620)
	<u>970</u>	<u>800</u>

22 Cash flows from financing activities

	2021	2020
	£000	£000
Interest paid	(640)	(614)
New borrowing	-	4,000
Repayments of amounts borrowed	(359)	(257)
Total cash flows from financing activities	<u>(999)</u>	<u>3,129</u>

23 Consolidated reconciliation and analysis of net debt

	At beginning of year £000	Cash Flows £000	At end of year £000
Cash and cash equivalents	3,371	18	3,389
Borrowings:			
Amounts falling due within one year: unsecured loans	(360)	-	(360)
Borrowings:			
Amounts falling due after more than one year: unsecured loans	(15,942)	358	(15,584)
	<u>(12,931)</u>	<u>376</u>	<u>(12,555)</u>

24 Financial Instruments

	2021 £000	2020 £000
Financial assets		
Financial assets at fair value through Statement of Comprehensive income:		
Listed equity investments	116,441	97,760
Other investments	43,286	35,970
Financial assets that are debt instruments measured at amortised cost:		
Cash and cash equivalents	11,886	11,709
Other debtors	414	541
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans	15,944	16,303
Trade creditors	355	214
Other creditors	900	677

25 Capital commitments

	2021 £000	2020 £000
Capital commitments at 30 June are as follows:		
Authorised and contracted	<u>220</u>	<u>1,982</u>
Authorised but not yet contracted for	<u>556</u>	<u>295</u>

26 Pensions

The College participates in four defined benefit schemes: The Universities Superannuation Scheme (USS); the Cambridge Colleges Federated Pensions Scheme (CCFPS); the Old Non Contributory Scheme; and the Church of England funded Pensions Scheme. The assets of the schemes are held in separate trustee

administered funds, with the exception of the closed Old Non Contributory Scheme which is recorded separately in the College balance sheet. The total pension cost for the year was £1,007,000 (2020: £1,018,000). The breakdown by scheme is shown below:

	2021 £000	2020 £000
USS	862	856
CCFPS	131	145
Church of England	10	10
Non-contributory scheme	4	7
Total	1,007	1,018

26a Universities Superannuation Scheme

The pension costs charged to the Statement of Comprehensive Income and Expenditure is £862,000 (2020: £856,000).

As at the 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since the year end the valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022. Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumption used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension Increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018 valuation
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	Post-retirement:

		97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality		CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

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

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary growth	1.50%	1.58%

26b Cambridge Colleges Federated Pension Scheme

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

The liabilities of the plan have been calculated, at 30 June 2021, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the 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:

	2021 % p.a.	2020 % p.a.
Discount rate	1.80	1.45
Increase in salaries	3.10	2.70
RPI assumption	3.40	3.10
CPI assumption	2.60	2.20
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.00
Pension increases in payment (CPI Max 2.5% p.a.)	1.95	1.80

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

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

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

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

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

Employee Benefit Obligations

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

	2021 £000	2020 £000
Present value of plan liabilities	(20,677)	(21,412)
Market value of plan assets	15,666	14,659
Net defined benefit (liability)	(5,011)	(6,753)

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

	2021	2020
	£000	£000
Current service cost	222	219
Administrative expenses	29	29
Interest on net defined benefit liability	99	131
(Gain)/loss on plan changes	-	-
Total	350	379

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

	2021	2020
	£000	£000
Present value of plan liabilities at beginning of period	21,412	19,575
Current service cost (including employee contributions)	222	219
Employee contributions	44	48
Benefits paid	(435)	(577)
Interest on plan liabilities	309	437
Actuarial losses/(gains)	(875)	1,710
(Gain)/loss on plan changes	-	-
Present value of plan liabilities at end of period	20,677	21,412

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

	2021	2020
	£000	£000
Market value of plan assets at beginning of period	14,659	13,786
Contributions paid by the College	302	314
Employee contributions	44	48
Benefits paid	(435)	(577)
Administrative expenses paid	(45)	(44)
Interest on plan assets	210	306
Return on assets, less interest included in Profit & Loss	931	826
Market value of plan assets at end of period	15,666	14,659
Actual return on plan assets	1,142	1,132

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

	2021	2020
Equities	48%	49%
Bonds & Cash	42%	41%
Property	10%	10%
Total	<u>100%</u>	<u>100%</u>

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

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

	2021 £000	2020 £000
Return on assets less interest included in statement of income and expenditure	931	826
Expected less actual plan expenses	(16)	(15)
Experience gains and losses arising on plan liabilities	623	118
Changes in assumptions underlying the present value of plan liabilities	252	(1,828)
Remeasurement of net defined benefit liability recognised in OCI	<u>1,790</u>	<u>(899)</u>

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

	2021 £000	2020 £000
Net defined benefit asset/(liability) at beginning of year	(6,753)	(5,789)
Recognised in statement of income and expenditure	(350)	(379)
Contributions paid by the College	302	314
Remeasurement of net defined benefit liability recognised in OCI	1,790	(899)
Net defined benefit asset/(liability) at end of year	<u>(5,011)</u>	<u>(6,753)</u>

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 as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £140,565 payable for the period to 28 February 2030

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

26c Old Non Contributory Scheme

The scheme is an unfunded defined benefit final salary scheme not operated under Trust. The scheme is not registered with the HM Revenue and Customs under the terms of the Finance Act 2004. The College's employees covered by the Scheme were not contracted out of the State Second Pension (S2P).

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

	2021 % p.a.	2020 % p.a.
Discount rate	1.85	1.45
Pension increases in payment	0.00	0.0

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

- Male aged 65 now has a life expectancy of 21.9 years (previously 21.9 years)
- Female aged 65 now has a life expectancy of 24.3 years (previously 24.2 years)

Employee Benefit Obligations

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

	2021 £000	2020 £000
Present value of plan liabilities	(287)	(317)
Net defined benefit (liability)	(287)	(317)

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

	2021 £000	2020 £000
Interest on net defined benefit liability	(4)	(7)
Total	(4)	(7)

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

	2021	2020
	£000	£000
Present value of plan liabilities at beginning of period	317	319
Current service cost	-	-
Interest on plan liabilities	4	7
Actuarial losses (gains)	10	34
Benefits paid	(44)	(43)
Present value of plan liabilities at the end of the period	287	317

The plan has no assets.

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

	2021	2020
	£000	£000
Experience gains and losses arising on plan liabilities	(16)	(18)
Changes in assumptions underlying the present value of plan liabilities	6	(16)
Remeasurement of net defined benefit liability recognised in OCI	(10)	(34)

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

	2021	2020
	£000	£000
net defined benefit (liability) at beginning of year	(317)	(319)
Contributions paid by the College	43	43
Recognised in Profit and Loss	(4)	(7)
Remeasurement of net defined benefit liability recognised in OCI	(10)	(34)
Net defined benefit (liability) at the end of the year	(287)	(317)

Funding Policy

The scheme is an unfunded arrangement. The College pays pension out of their own funds as they fall due.

26d Church of England Funded Pensions Scheme

The College also participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Boards, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the statement of income and expenditure in the year are contributions payable towards benefits and expenses accrued in that year (2021: £10,000, 2020: £10,000), plus the figures highlighted in the table below as being recognised in the Other Comprehensive Income (OCI), giving a total credit of £3,000 for 2021 (2020 a credit of £3,000).

The valuation of the Scheme is carried out every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- increase in pensionable stipends of 3.4% p.a.; Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit repair contributions payable (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
	%	%
Deficit repair contributions	11.9	7.1

As at 31 December 2018 the deficit repair contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the scheme's rules.

Section 28.11A of FRS102 requires agreed deficit recovery plans to be recognised as a liability. The movement in the provision is set out in the table below:

	2020 £000	2019 £000
Balance sheet liability at 1 January	6	19
Deficit contribution paid	(3)	(3)
Interest cost (recognised in SoFA)	-	-
Remaining change to balance sheet liability* (recognised in statement of income and expenditure)	1	(10)
Balance sheet liability at 31 December	4	6

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2% p.a.	1.1% p.a.	2.1% p.a.
Price inflation	3.1% p.a.	2.8% p.a.	3.1% p.a.
Increase to total pensionable payroll	1.6% p.a.	1.3% p.a.	1.6% p.a.

The legal structure of the scheme is such that if another employer fails, the employer could become responsible for paying a share of that employer's pension liabilities.

27 Principal Subsidiary Undertakings

	Country of Incorporation and Operation	Cost	Class of Shares	Proportion of shares held	Principal activity
		£			
Caius Property Services Limited	United Kingdom	1	Ordinary	100%	Dormant
Budworth Development Limited	United Kingdom	1	Ordinary	100%	Dormant
Caius Conferences Limited	United Kingdom	1	Ordinary	100%	Provision of conference services

28 Contingent Liabilities

With effect from 16 March 2007, the Universities Superannuation Scheme (USS) positioned itself as a 'last man standing' scheme so that in event of an insolvency of any of the participating employers in USS, the amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers.

29 Related Party Transactions

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

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

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

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

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

From	To	2021 Number	2020 Number
£0	£10,000	11	5
£10,001	£20,000	3	3
£20,001	£30,000	-	-
£30,001	£40,000	1	-
£40,001	£50,000	-	1
£50,001	£60,000	2	4
£60,001	£70,000	1	1
£70,001	£80,000	-	-
£80,001	£90,000	-	-
£90,001	£100,000	1	1
	Total	19	15

The total Trustee salaries were £398,000 for the year (2020: £500,000)

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £90,000 for the year (2020: £125,000).

The College has a number of trading and dormant subsidiary undertakings which are consolidated into these accounts. All 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.

30 Perse Trust

The College provides trustees for the Perse Trust, a registered non-collegiate charity. In addition, the College oversees investment management of the Perse Trust endowment which at 30 June 2021 amounted to £755,000. These assets have been excluded from the College balance sheet as have the liabilities of the Trust with the exception of £24,000 which was owed to the College and has since been paid by the Trust.

31 Post Balance Sheet Event

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £2,838,000 in the provision for the obligation to fund the deficit on the USS pension which would instead be £4,537,000. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £5,696,000 in the provision for the obligation to fund the deficit on the USS pension which would instead be £7,396,000.