

SIDNEY SUSSEX COLLEGE
Sidney Street, Cambridge CB2 3HU

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Charity Registration Number: 1137586

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity Trustees (Members of the Council)

Ex-Officio Members:

Master: Professor R Penty
Vice Master: Dr M Ramage (to 31 Aug 2020) / Professor G Gerstle (from 1 Sep 2020)
Senior Tutor: Mr M Beber
Bursar: Ms S Bonnett

Fellows Elected by and from Members of the Governing Body:

Professor A Al-Tabbaa (to 31 Aug 2020)
Professor K Armstrong (to 31 Aug 2020)
Dr F Lusa Bordin (from 1 Sep 2021)
Dr C Doran
Dr L Fruk
Dr B Fulda
Dr R Garcia Mayoral (from 1 Sep 2021)
Dr T Lambert (to 31 Aug 2020)
Dr C McTernan (to 31 Jan 2021)
Dr Ö Öner (from 1 Sep 2021)
Dr C Roberts
Dr J Seymour
Dr R Stasch

Four Elected Student Members:

JCR President: Mr T Bryan (to 31 Dec 2020) / Mr J Lowry (from 1 Jan 2021)
MCR President: Mr A Sharma (to 25 Jan 2021) / Mr V Velazahahn (from 26 Jan 2021)
JCR Vice-President: Mr B Karsberg (to 31 Mar 2021) / Ms M Kazani (from 1 Apr 2021)
Student Rep: Mr A Nashat Mettry (from 1 Oct 2020)

Governing Body

The names of the members of the Governing Body for the year ended 30 June 2021 were as follows:

Master: Professor R Penty

Professor A Al-Tabbaa
Professor K Armstrong
Dr T Aubry
Mr M Beber
Professor E Biagini
Dr S Bill
Ms S Bonnett
Dr F Bordin
Ms P Carter (from 1 Sep 2020)
Dr L Cheke
Dr G Crossan (from 1 Sep 2020)
Dr T Demetriou
Dr C Doran
Dr R Duschinsky
Dr M Eilstrup Sangiovanni
Dr E Eiser
Dr O Elder (to 30 Sep 2020)
Professor A Flewitt
Dr P Flynn
Dr L Fruk
Dr B Fulda
Dr Y Galanakis
Dr N Ganany (from 1 Sep 2020)
Dr R Garcia-Mayoral
Professor G Gerstle
Dr B Gray
Professor A Greer
Dr B Groisman
Dr H Groom (from 1 Sep 2020)
Professor M Gurnell
Dr F Hall
Dr A Jackson
Dr R Jackson-Ravenscroft
Professor M Lamb
Dr T Lambert
Dr H Leggett
Dr J Longley
Professor P McHugh
Dr C McTernan (to 31 Jan 2021)
Dr N Morrison (to 31 Aug 2020)
Dr F Muschitiello
Professor A Neely
Dr M Noriega-Sanchez
Dr Ö Öner
Professor M Pollitt
Dr M Ramage
Ms E Rampton
Dr R Ranasinghe (from 1 Sep 2020)
Professor C Reynolds
Dr C Roberts
Dr C Roddie
Ms H Saunders

Dr C Scalliet (from 1 Sep 2020)
Professor R Sepulchre
Dr J Seymour
Dr M Shirk
Dr D Skinner
Dr P Sliwa
Dr R Stasch
Dr S Strelchuk
Dr C Sumnall
Dr H Thompson (to 31 Aug 2020)
Dr O Weller
Dr E Wilson-Lee
Professor M Zernicka-Goetz

**Elected student members of Council are
also members of the Governing Body (see
Council membership on previous page)**

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Senior officers

Master: Professor R Penty
Vice Master: Dr M Ramage (to 31 Aug 2020) / Professor G Gerstle (from 1 Sep 2020)
Senior Tutor: Mr M Beber
Bursar: Ms S Bonnett

Principal advisers

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

Bankers: Barclays Bank plc
Barclays Corporate
PO Box 885
Mortlock House
Histon
Cambridge
CB24 9DE

Buildings Consultants: Pleasance, Hookham & Nix
1 Northampton Street
Cambridge
CB3 0AD

Property Managers: Cheffins Commercial
Clifton House
1-2 Clifton Road
Cambridge
CB1 7EA

Investment Managers: BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Legal Advisers: Mills & Reeve
Botanic House
100 Hills Road
Cambridge
CB2 1PH

OPERATING AND FINANCIAL REVIEW

1. About Sidney Sussex

Sidney Sussex College was founded in 1596 under the will of Lady Frances Sidney, Countess of Sussex and is one of the ancient colleges of the University of Cambridge. Its purposes are the admission and education of students matriculated in the University of Cambridge and the promotion of academic research by its Fellows. It is an independent, self-governing, corporate body whose affairs are regulated by statutes approved by the Queen in Council. The College was formally registered with the Charity Commission on 25 August 2010. The College provides accommodation and catering for its junior members through most of the year, and for academic and other conferences during vacations.

Aims and objectives of the College

The College is a place of education, religion, learning and research, and it aims to promote academic excellence and freedom of thought and belief.

Education

The College provides, in conjunction with the University of Cambridge, an education for almost 650 undergraduate and postgraduate students, which is recognised internationally as being of the highest standard. This education is both academic and personal in the sense that it enhances the students' potential to become leaders and effective communicators, so preparing them to play full and effective roles in society. It is a central aim of the College to promote academic excellence, just as it is to guard freedom of thought and belief, for all its members and for the public good.

In pursuit of these benefits, the College:

- provides extensive teaching facilities, especially including individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems.
- provides social, cultural, musical, recreational and sporting facilities enabling all students to realise their academic and personal potential to the full while studying at the College.
- is committed to the freedom of thought and expression.
- maintains an extensive library, so providing a valuable resource for students and Fellows of the College.

The College is committed to:

- admitting undergraduate and postgraduate students who have the highest potential for benefitting from the education provided by the College and the University
- operating an outreach programme to raise educational aspiration, and to attract outstanding applicants who might not otherwise have considered entering Higher Education at all, so that they may be encouraged to apply to a University, to Cambridge in general and to Sidney Sussex College in particular. This programme involves an extensive round of visits to schools, school visits to the College, open days, taster days devoted to individual academic disciplines and admissions conferences for teachers, as well as extensive guidance and information available on the College website
- setting out an admissions policy that ensures students are selected without regard to their gender, sexuality, social background, geographic location, religious commitment, ethnic origin or financial position. No student is excluded on the grounds, or as a result, of these factors
- charging the following fees:
 - Home and EU undergraduates are charged a combined University and College fee of £9,250 (£9,250 in 2019-20), of which the College's share is £4,625 (£4,625 in 2019-20)
 - Overseas undergraduates are charged a College fee of £9,371 (£8,925 in 2019-20)
 - Postgraduates are charged a combined University and College fee, which varies according to the course. The total fee income is then allocated across Colleges at an equal average rate per student which for 2020-21 is £4,069 per postgraduate (£3,909 in 2019-20)
 - Accommodation and meals are charged at reasonable rates

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- assisting undergraduates with limited financial means by providing bursary support through the Cambridge Bursary Scheme, which is operated jointly by Colleges and the University. For the academic year 2020-21, the number of awards made was 81 (2019-20: 66) out of a Home/EU undergraduate population of 340 (2019-20: 327); 46 (2020: 43) of the awards were at the maximum value of £3,500 (2019-20: £3,500); and the average value of the awards was £2,793 (2019-20: £2,885)
- supporting the costs of postgraduate students by providing substantial financial support. This includes studentships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages
- supporting all students through a grants scheme, assisting with the purchase of books and equipment, attendance at conferences, study and research grants and travel grants
- operating a hardship scheme for all students in financial need.

Public benefit

The Council has complied with its duty regarding public benefit, showing regard to the Charity Commission's guidance. The College follows a rigorous and objective process for selecting members in partnership with the University of Cambridge.

In order to fulfil its charitable purposes of advancing education, religion, learning and research, the College employs Fellows in roles which include those of Teaching officers, Directors of Studies, Tutors, and senior administrative officers. All Fellows in Classes 1, 2 and 3 are members of the College's Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's aims, and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally, and reviewed by the Remuneration Committee which has at least two external members. Annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

As a not-for-profit organisation, the College sets its charges for members only as high as is necessary to cover costs. Bursaries and other financial support are offered to individuals wherever possible, in an effort to ensure that no one is dissuaded from applying, taking up a place or completing their studies because of financial hardship.

Religion

In pursuing its objective as a place of religion, the College carries forward the tradition, continuous since its foundation, of reflection upon the benefits, and moral and ethical commitments, entailed by religious belief, and upon the implications of that belief for the individual and society. It is, further, a central aim of the College to promote freedom of thought and belief among all its members, of any faith and none.

As part of this, the College:

- maintains, in accordance with its Statutes and the law of the land, its historic connection with the work of the Church of England, particularly through its Anglican services in College
- maintains and supports the Chapel as a place of religious worship and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and to visitors
- supports the emotional, spiritual and mental wellbeing of all members of the College community through its chaplaincy, and through the stimulus that the chapel can provide to all, regardless of whether they have a particular faith commitment or not, to reflect upon the ethical and wider dimensions of human existence and the accompanying social responsibilities
- enriches its services in Chapel through its outstanding choral tradition carried forward by the College's Choir.

The College's religious services (in all senses of the word 'services') are available to every member of the College, and benefit the wider public through the openness of all rites (twice weekly Evensong), alongside a variety of other services, to all members of the public, through charitable collections undertaken by members of

the College, and through the promotion and dissemination into society at large of values and practices that foster moral, spiritual and ethical well-being.

Learning and research

Learning and research seek to increase the sum of human knowledge and to be applied to the benefit of society. It is a central aim of the College to promote academic excellence through research, and in doing so to uphold freedom of expression, thought and belief, for all its members and for the public good.

In carrying out its objective of advancing research, the College:

- usually offers two Research Fellowships per year tenable for a period of 3 years
- provides College Teaching Officer posts, the duties of which require that a substantial proportion (at least 50%) of time be devoted to developing the Fellow's research. In 2020-21 there were 6.5 College Teaching Officers in post
- supports research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials
- encourages visits from other academics, from home and abroad, through its Visiting Fellowships and other similar programmes
- maintains a library and College Archive, including important special collections of great value for which the College has a duty of perpetual and inalienable care, so providing a valuable resource of learning and scholarship.

With a view to improving access to learning and research:

- the academic staff of the College are recruited for their potential to contribute to the College's aim of promoting academic excellence, regardless of their gender, sexuality, social background, religious commitment, ethnic origin or financial position
- the College supports and encourages the dissemination of research undertaken by members of the College to the public at large through the publication of papers in academic journals or other suitable means, including the mass-media of radio, television, journalism, web and social media
- Research Fellowships, like College Teaching Fellowships, are awarded to outstanding academics at the early stages of their careers. Research Fellowships enable 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. Teaching Fellowships combine a proportion of teaching and administrative duties with a similar opportunity to develop and focus on research.

2. Review of operations

2.1. Responding to COVID-19

The COVID-19 global pandemic which emerged in early 2020 continued to have a significant operational and financial impact on the College throughout the 2020-21 academic year. Although the College opened successfully for the start of the Michaelmas Term 2020, the introduction of a second national lockdown on 5 November 2020, and a third national lockdown on 6 January 2021, meant that the vast majority of teaching was delivered online during 2020-21. Students had to have a specific reason for being in residence during the Lent and some of Easter Term, which included not having an alternative place to live and study. Large numbers of staff continued to be put on furlough leave under the Coronavirus Job Retention Scheme, and remaining staff, including Fellows, continued to work from home, with the exception of skeleton operational support staff in College including Porters and housekeeping staff.

As in 2020, the College continued to benefit from very significant intercollegiate and University collaboration during 2021 when making decisions as to what College services and provision could be made available on a 'COVID-secure' basis over the course of the academic year. Regulations and national guidance continued to change frequently, each time requiring plans to be revised and updated.

The principal effects and challenges of the pandemic over the 2020-21 academic year were:

- shutting down a significant proportion of residential accommodation at the start of the Lent Term and making buildings safe, including management of student belongings which had been left over the Christmas vacation;
- ensuring clear communication to the various constituent groups within the College affected by the continued changes in the way that the College was operating;
- continuing to teach online, and provide study materials remotely;
- supporting the well-being of students remotely;
- helping implement, in terms of College logistics and student support, the asymptomatic testing programme for students in residence, which was being run by the University;
- more complicated and restricted graduation arrangements in the Easter Term;
- managing the financial consequences of the pandemic, which included:
 - continued loss of student accommodation and catering income, particularly during the Lent Term;
 - cancellation of the majority of conference events for 2021;
 - significant negative impact on rent received from commercial tenants;
 - negative impact on dividends from funds held in equities relative to pre-Covid returns.
- securing adequate supplies for College departments including those required for infection control;
- undertaking risk assessments, and ensuring staff were comfortable with the arrangements for working in COVID-secure environments in the College during the periods in which restrictions were lifted;
- ensuring that essential maintenance, and the College's kitchen refurbishment programme could continue in a COVID-secure manner.

Subsequent to the year-end, and since the Government lifted all national COVID-19 restrictions on 19 July 2021, Universities have been advised that there are no longer restrictions on the approach to teaching and learning in higher education providers as a result of COVID-19. This includes no requirement for social distancing or other measures within in person teaching. In the absence of these national restrictions, Higher Education providers are directed to continue to conduct risk assessments for their particular circumstances, and to implement sensible and proportionate control measures to reduce the risk from COVID to the lowest reasonably practical level. This includes having a contingency plan to deal with any identified positive cases of COVID-19 or outbreaks. Accordingly, for as long as it is required, the College will continue to carry out risk assessments for all its activities and regularly review its COVID policies and protocols.

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2.2. Student numbers

During the 2020-21 academic year, the College admitted 109 (2019-20: 113) undergraduates and 99 (2019-20: 103) postgraduate students. The breakdown for each is shown in the tables below.

<u>Undergraduate Admissions</u>	Arts		Sciences		Overall	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Male	21	22	29	30	50 (46%)	52 (46%)
Female	35	40	24	21	59 (54%)	61 (54%)
Total	56	62	53	51	109	113

Comprising:

Home maintained school	57 (52%)	58 (51%)
Home independent school	32 (29%)	24 (21%)
Settled Status maintained school	1 (1%)	16 (14%)
Settled Status independent school	1 (1%)	
Pre-settled Status	2 (2%)	
Overseas (EU) Status	2 (2%)	
Overseas Status	14 (13%)	15 (13%)
Total	109	113

<u>Postgraduate Admissions</u>	Arts		Sciences		Overall	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Male	32	34	23	23	55(56%)	57 (56%)
Female	38	35	6	11	44(44%)	46 (44%)
Total	70	69	29	34	99	103

In total, 396 (2019-2020: 384) undergraduate and 221 (2019-2020: 288) postgraduate students were on the register.

2.3. Student support

In order to assist undergraduates from families with low incomes, the College provides financial support through the Cambridge Bursary Scheme which is operated jointly by Colleges and the University. In addition, the College provides a number of top-up bursaries. Undergraduates in the College received £335,329 (2019-20: £236,000) in bursaries. In addition, the College provided £88k (2019-20: £33k) in study awards and hardship grants to students in financial need.

The College provided £151,000 (2019-20: £141,000) in financial support to postgraduate students in order to assist with their costs. This is in the form of a limited number of full studentships, top-ups to external studentships and assistance with research expenses.

To raise educational aspiration and attract outstanding applicants, who might not otherwise have considered applying, the College operates an outreach programme. The programme includes visits to schools, visits by schools, open days and published guidance for prospective applicants. Excluding bursaries the College spent £65,000 (2019-20: £101,000) on access activity in the year.

2.4. Academic achievements

Academic results 2021

First Degrees	No. of students		Results available to date as % of those who sat classed examinations	
	2021	2020	2021	2020
Undergraduates who sat classed examinations	356	130		
Classed results available	259	101	100%	78%
of which:				
All First including Distinctions (and Part III Maths Merits)	82	47	31.7%	46.5%
II.i and Fourth Year Merits (other than Part III Maths)	149	50	57.5%	49.5%
II undivided	3	0	1.2%	0%
II.ii and Fourth Year Honours Passes	23	3	8.9%	3%
III	1	0	0.4%	0%
Failures to satisfy the Examiners	1	1	0.4%	1%

The results in 2020 are not comparable with 2019 as the collegiate University moved to 'remote teaching only' in Easter term 2020, as a consequence of COVID-19, and no in-person examinations took place. Instead students were assessed according to Cambridge University's 'Principles and Policies for Modified Assessment'. Summative assessments were re-introduced for most students across all years of each Tripos in the 2021 examination round (the traditional in-person three-hour papers, however, were replaced by a combination of timed, on-line-proctored examinations, essay portfolios and dissertations due in early Easter Term, and open-book examinations held over longer windows varying from 24 hours to several days).

Postgraduate qualifications

College members graduating in 2020-21 achieved 16 PhDs, 14 MBChir and Vet MBs, and 58 Masters-level degrees (2019-20: 16, 13 and 51 respectively) between them¹. The number of PG degrees conferred in 2019-20 is lower than in 2018-19 partly because, due to COVID-19, a number of students have elected to wait for an in-person graduation, and others have applied for extra time. The on-going pandemic disruption continued to affect both the timing of submission of research degrees, and the choices made by postgraduate students, once they have satisfied all conditions for the formal award of their degree, whether to defer conferment of the degree until they may receive it in person.

2.5. Capital expenditure and maintenance

The maintenance of the College's operating assets requires a continuing financial commitment from the College.

The major project that the College has been working on since 2015 is the ongoing build of a new kitchen and dining hall. This involves building a new basement underneath the Master's garden, relocation of the kitchen into the basement, expanding the current servery and developing an additional new dining space. In 2017-18 the preliminary costs of the project, including archaeology and ground works, were expensed at £1.9 million.

At the end of the 2020-21 financial year, the project reached completion with a further £3.2 million capital expenditure incurred on the project in the course of the year. This brings the total capital expenditure for the second phase of the project to £10.5 million which has been added to the College's fixed assets. Commencing in 2021-22, the equipment will be depreciated over a period of 15 years, with the remainder being depreciated over a 50 year period. In addition to the amount capitalised, there is a further £0.1 million in capital commitments (for example new furniture for the dining hall) and £0.3 million has been during the course of the project.

¹ The 58 Master level degrees do not include BAMENG, BAMSCI, or BAMMATH students of which there were 23.

Following the purchase of a new hostel in Park Parade for postgraduate accommodation in June 2019, the College commenced refurbishment of the property in March 2020.

This project was completed in October 2020, with the project slower to complete than planned due to site closure as a result of the COVID-19 pandemic and resulting national lockdown. The final capital expenditure on the project was £0.5 million in addition to the £1.1 million purchase costs.

The College also operates a planned maintenance programme designed to maintain and improve the estate. In 2020-21 the College spent £0.1 million on this programme. Due to the financial implications of the pandemic on the finances of the College, a decision was taken to defer some of the planned major projects in the 2020-21 financial year. This work was mainly focussed on offsite student accommodation and will be carried out in the 2021-22 financial year programme of works when the budgeted spend for the year is £0.4 million.

2.6. Data handling

The College continues to monitor its data handling, reporting and Data Protection Statements in light of the UK General Data Protection Regulation (GDPR).

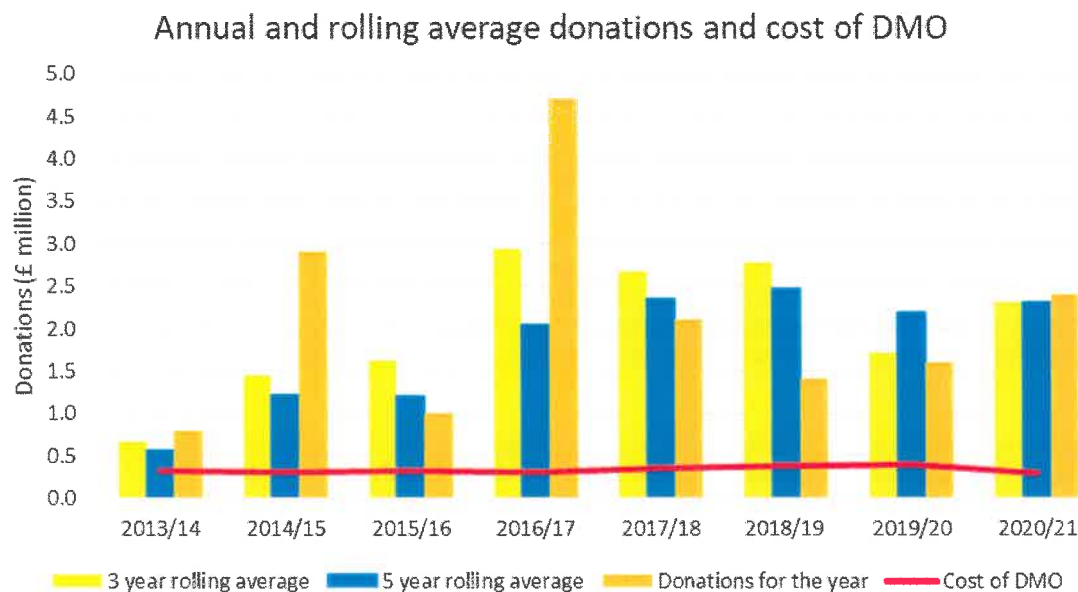
2.7. Donations and fundraising

The College's fundraising efforts are primarily directed at raising money from our alumni. Our fundraising approach ensures that we understand and respect individual alumni preferences for contact in relation to approaches seeking support as well as more generally. Key objectives for the College include teaching, research and student support. COVID-19 had a significant impact on fundraising and alumni relations at the College during the 2020-21 financial year. All face-to-face meetings with donors, as well as all events, were cancelled.

Given the challenging circumstances, the College is immensely grateful for the £2,361,502 in donations and legacies received over the course of the year (£1,582,115 in 2019-20). Included in this amount was £625,000 from two substantial and generous legacies. The cost of the Development and Membership Office (DMO), a College department, for the year was £311,000 compared with £368,000 in 2019-20. The DMO cost includes fundraising as well as alumni relations activity, such as reunions and other events and publications.

To date a total of just over £4 million has been donated specifically for the College's major building project, creating a new kitchen and dining hall, which was completed in Summer 2021.

As the amount received in donations can vary significantly from year to year, included below is a chart with three and five-year rolling averages of donations received, as well as the annual cost of the DMO.



All fundraising is carried out by the DMO, which reports quarterly results to Council, and all its work is subject to oversight by a dedicated College committee, which meets three times per year. The College is registered with the Fundraising Regulator and was not the subject of any complaints to that body in 2020-21, nor did the College receive complaints about its fundraising activities from any other source. The College does not seek support from the general public and takes active steps to respect the needs of any potential supporter who may be in a vulnerable circumstance or require additional care and support to make an informed decision.

2.8. Equal opportunities

The College is committed to the principle and practice of equal opportunities and strives to be an equal opportunities employer. Building upon this, the College set up a Equality, Diversity and Inclusion working group in 2020-21 to develop a strategy for improving equality, diversity and inclusion within the College.

3. Review of financial performance

This has been a second consecutive financially challenging year for the College with the full impact of the COVID-19 pandemic having a significant impact on the finances.

Whilst the net assets this year have increased by £10.3 million from £123.3 million to £133.6 million, income has been substantially lower than normal in this financial year due to minimal conference income, significantly reduced rental income from Commercial properties, reduced student rental and catering income in particular for the Lent term, and lower dividend income from the College equity investments. The financial impact of the pandemic will continue into the 2021-22 financial year and beyond, with again very low conference income, and a continued depression in income from commercial rents and dividends. The College has agreed principles for financial recovery to ensure that the focus of the financial management of the College is directed to its core purposes and activities, with a continued emphasis on controlling costs, generating income and rebuilding free reserves.

Two of the largest movements in the balance sheet are the increase in the market value of the shares held by the College offset by the downward revaluation of the College's commercial property portfolio.

The market value of the shares has risen by £9.6 million from June 2020 to June 2021.

The College's commercial property portfolio was again revalued by the College's property managers, Cheffins Commercial, in June 2021 which resulted in a decrease in the valuation from £17.4 million to £15.0 million - a movement of £2.4 million. This followed a decrease in value of £5.2 million in the previous year. The valuation was undertaken on the basis of Market Value. However, at the valuation date, Cheffins Commercial considered that they could attach less weight to previous market evidence for comparison purposes to inform opinions of value. Consequently, less certainty, and a higher degree of caution, should be attached to the valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, the valuation of the properties will be kept under frequent review.

During the 2020-21 financial year, the College secured a second long term debt issue by way of a private placement of £10.0 million from the Pensions Insurance Corporation (a loan of £8.5 million was secured in the 2019-20 financial year). The funds were received in June 2021 with a maturity date of 12 May 2066. The College's objective in securing the debt was to take advantage of the current low interest rates and gear the balance sheet to generate future unrestricted income for the College. The loan has created a short term cash reserve, which has alleviated the risk of liquidity issues arising from the drastic and prolonged reduction in income as a result of the COVID-19 pandemic.

As a result of the change in market conditions, there was a fall in the provisions on both of the College's pension schemes.

The Statement of Comprehensive Income and Expenditure (SOCIE) shows an operating surplus (before other gains and losses) of £1.267 million for the year, compared with an operating surplus of £2.283 million in 2019-20. As well as the operational impact of COVID-19, the 2019-20 figures were significantly impacted by a reversal in the provisions required against the USS pension scheme.

Other gains and losses in the year show a gain on investments of £7.4 million compared with a loss of £9.4 million in 2019-20. This year's gain is predominantly due to the increase of £9.6 million in value of the equity investments offset by the £2.4 million decrease in the commercial property valuation.

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3.1. Income

The College had total income of £9.639 million in the year, a decrease of £1.201 million (11%) from the £10.840 million for 2019-20.

	<u>2020-21</u>	<u>2019-20</u>	<u>Variance</u>
	£m	£m	£m
Student fees	2.762	2.706	0.056
Accommodation and catering charges to members	1.872	1.823	0.049
Conference and hospitality	0.037	1.201	(1.164)
Investment income	2.177	3.143	(0.966)
Donations and Endowments	2.362	1.582	0.780
Other	0.429	0.385	0.044
Total	9.639	11.184	(1.201)

Income from academic fees and charges increased by £0.056 million (2%) as a result of higher undergraduate student numbers in 2020-21 than in 2019-20. Postgraduate fee income has dropped despite a slight increase in the per Capita fee, due to lower student numbers.

Income from residences, catering and conferences decreased by a total of £1.115 million (37%) in the year. This is a direct consequence of the pandemic, with almost no conference and hospitality business in the year. The accommodation and catering charges for members is similar to 2019-20 levels, with both years having effectively lost most of one term of residence.

Overall there was a £0.966 million (31%) decrease in investment and endowment income, comprising a decrease in equity and interest income across the year of £0.335 million, and a decreased in income of £0.631 million in commercial rental income, due to a significant number of rent reductions and rent waivers provided. Although the College has recognised all the commercial rental income that was invoiced to the tenants, there is still a significant doubtful debt provision as a number have indicated that there continue to be financial difficulties as businesses deal with the impacts of the pandemic.

On a positive note, Donations and Endowments have increased by £0.780 million (49%) to £2.362 million. The College is extremely grateful for the donations and benefactions it receives as they enable the College to continue to provide high quality personalised teaching and do things it could not otherwise do to deliver its charitable purpose, particularly in such financially challenging times.

Other income has increased by £0.044 million from £0.385 million last year to £0.429 million this year. This includes the receipt of the funds from HMRC of £0.339 million for those staff that were furloughed during the financial year. This has helped to mitigate part of the effect of the loss in income from rent and catering during this period.

Academic fees cover only 65% of the cost of providing education, and this year the College ran a deficit of £1.5 million on education. The College is reliant on income from conferences, commercial property and dividends from investments, as well as donations, to fund the education deficit. As such, the reduction in income from conferences, commercial rent and dividend income due to the COVID-19 pandemic means that the College is even more exposed to the deficit on education.

The trustees remain committed to continue with the work started at the end of 2019-20 to reduce the short and medium term impacts on the College finances.

3.2. Expenditure

In 2020-21 expenditure decreased from the previous year by £0.240 million (3%) to £8.317 million.

However, the 2019-20 expenditure included a credit adjustment of £1.046 million due to the USS provision being reduced. Excluding this, underlying costs have therefore decreased by £1.286 million.

The reductions in costs have come from a variety of areas and are, in part, as a result of reduced occupancy of the College during the year, both students in residence and also minimal conference activity. With the

significantly lower occupancy and catering activity in College, there has been a focus on efficiency and the cost reductions reflect lower staffing, food and drink and maintenance costs.

3.3. Investment performance

The value of the investments increased by £7.357 million to £84.154 million and generated £2.177 million income during the year; a combination of equity returns and rent from commercial properties. This movement in the value of investments includes the additional investment in the last quarter of £4.618 million of funds to be invested for future College income. These funds came from the debt issue raised in 2019-20.

Of the quoted securities the greater part were held in Index Tracker Funds with BlackRock Investment Management (UK) Ltd. Cash not required for immediate investment or to cover expenditure is placed on short term deposit with a number of banks at various rates of interest.

Gross Performance 1 year	<u>BlackRock Portfolio</u>	<u>Composite Benchmark</u>
30 June 2021	21.17%	21.05%
30 June 2020	-6.44%	-5.59%
30 June 2019	3.79%	3.75%
30 June 2018	8.60%	8.63%
30 June 2017	20.42%	20.49%
30 June 2016	4.90%	5.52%

The College adheres to Charity Commission guidance on ethical investments. When investments are made in index tracker funds, the Investment Committee considers the Environmental, Social and Governance (ESG) credentials of the company that manages these funds.

The Investment Committee believes that it is more fruitful to engage with companies rather than adopt policies which force divestment according to inflexible criteria. The Investment Committee encourages all index fund managers who are appointed by the College to adopt the highest governance and corporate engagement standards when they invest the College's assets.

3.4 Reserves

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

The College's target for free reserves is set out below:

Reserve	Target Free Reserves	Rationale
Strategic initiative reserve	£2.5 million	To fund strategic initiatives such as investment in property and facilities for members of College – equivalent to 5% of fixed assets.
Contingency Income and Expenditure	£2.5 million	Contingency to cover extreme/unexpected expenditure or cover shortfall in income – equivalent to 25% of turnover.
Total	£5.0 million	

Available free reserves represent unrestricted general funds of the College. The calculation involves analysis of the composition of the total reserves shown in the Balance Sheet. In line with the Charities Commission definition, the College excludes the following categories in its calculation of free reserves: restricted reserves (comprising special trust funds, restricted capital grants and permanent restricted endowment); illiquid investments (which includes the College's commercial rental properties since they are integrated with student accommodation blocks), and fixed and heritage assets. Additionally the College excludes designated funds from the free reserves calculation as these are funds for which Council has designated a particular purpose which is generally driven by preferences expressed by donors and hence not available for general expenditure.

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Set out below is a table showing the historical trend in free reserves:

£ million	June 2017	June 2018	June 2019	June 2020	June 2021
Total reserves	125.8	133.3	131.7	123.3	133.6
Less: Restricted reserves	(43.5)	(34.1)	(34.5)	(31.9)	(32.1)
Less: Fixed/heritage assets	(46.1)	(49.6)	(53.0)	(57.0)	(60.1)
Less: Illiquid investments *	(29.2)	(30.2)	(28.9)	(21.4)	(18.9)
Sub-total: Free Reserves including Designated Funds	7.1	19.4	15.3	13.0	22.5
Less: Designated funds	(1.4)	(14.4)	(15.1)	(17.5)	(21.2)
Available Free Reserves	5.7	5.0	0.1	(4.5)	1.3

**Note that Illiquid investments have been re-stated to include the value of Darwin Green "Assets held for sale" in the balance sheet, noting that once the sale is realised, the proceeds are transferred to the Sidney Sussex Permanent Fund which is a fund designated by Council.*

As at 30 June 2021, the College's free reserves were £1.3 million compared with target reserves of £5.0 million. The increase from June 2020 to June 2021 reflects the increase in investment values, alongside the decrease in the pension provisions.

The College is focusing on maximising income and donations, reducing costs, effective use of restricted income from Special Trust Funds and Designated Funds, and investing in the Sidney Sussex Permanent Fund in order to recover from the impact of the kitchen project and COVID-19, and rebuild its free reserves to the target level of £5 million. This is one of the key principles for financial recovery as approved by Council.

3.5 Pension funds

The College participates in two pension schemes, the Sidney Sussex 1975 Pension Scheme and the Universities Superannuation Scheme (USS). The College Pension Scheme has been closed to new members since 2004 and at the June 2021 year-end has only five active members accruing benefits. All other College members on the payroll are auto-enrolled in the USS Scheme (subject to meeting the eligibility criteria) unless they choose to opt out.

The Sidney Sussex 1975 Pension Scheme deficit decreased during the year from £4.321 million to £2.642 million following changes in market conditions underlying the present value of plan liabilities

The USS deficit funding provision decreased from £1.364 million to £1.284 million, with payment made towards the deficit in the year and a small change in salary assumptions.

Both pension funds were due a triennial valuation in 2020. A valuation establishes whether, at a certain date, the scheme trustees believe the pension scheme will have enough money to be able to pay the pensions that the scheme's members are expecting, now and long into the future.

The July 2020 valuation for the Sidney Sussex 1975 Pension Scheme was completed in March 2021. The deficit reduction contributions were maintained at the existing level of £294,000 per annum whilst the period of the deficit recovery plan was reduced to seven years.

The 'snapshot' date for USS 2020 valuation is 31 March 2020. Given the timing of the global COVID-19 pandemic, both valuations, particularly USS, will be impacted by the financial uncertainty in the markets at the valuation date. Further increases in employer and employee contributions will come into effect from 1 October 2021 for the USS scheme.

4. Principal risks and uncertainties














Members of the Council as trustees of the College have ultimate responsibility for ensuring risk is managed satisfactorily within College. The Council reviewed the arrangements for managing risk in 2018-19 and revised the process, with implementation in 2019-20, and further embedding of the process in 2020-21.

The principal risks the College must continuously address are the long-term ability to maintain and develop its educational and research activities, to attract the best staff and students, and to maintain and renew its physical facilities.

There are always uncertainties regarding the future external environment within which the College will operate, most notably regarding higher education policy and funding.

All of the College's principal risks were heightened by the emergence of COVID-19 in 2020. However, although COVID-19 has continued to have impact in 2021, the residual scores for the majority of the College's risks have been either lowered or maintained at the same level, as the pandemic is managed nationally and internationally.

Summary table of Sidney Sussex College risks in 2021

Risk	Raw risk score 2021	Residual risk score 2021	Residual score movement from 2020
Financial Management	20	16	
Student welfare	20	12	
Student academic and personal development	20	12	
Academic staff	16	12	
Student admissions	16	12	
Health and Safety	16	12	
Communications	15	12	
Donation and legacy income	12	9	
Estates and facilities	12	9	
Assistant staff	15	8	
Information Technology	15	8	
Governance	12	6	
University and inter-collegiate relations	9	4	

The principal risk in 2021

As indicated in the table above, the principal risk and uncertainty that the College faces, and the only risk assessed to have an overall residual red rating in 2021, is that related to financial performance. The description of this risk and key mitigating actions agreed to manage it in 2020-21, are summarised below:

Financial Performance

Description and crystallisation of risk: This risk encompasses risks to income, expenditure or investment performance as a result of external factors and/or ineffective financial management. Although both the raw and residual risk have been assessed as lower than they were in 2019-20, both ratings have an ongoing red assessment in 2020-21, and the risk has continued to crystallise in the following areas: Due to the continued impact of COVID-19 there were a significant number of tenants reporting financial difficulties resulting in delays to settlement of rents and/or requesting reductions and write off of amounts due, as well as a significant loss of income from student accommodation/catering charges and conferencing.

Mitigating action in 2020-21: In addition to the key controls in place to manage financial risk, the College agreed the following additional actions this year: to secure a further debt issue which has eased liquidity and provided an opportunity to leverage the balance sheet for future growth in unrestricted funds available to College; to review the strategic asset allocation for the College's index tracker funds held with Blackrock Investment Management (UK) Limited; to review the College and Trading Subsidiary Conferencing and Events income and profitability forecast and plans; to work closely with property agents and commercial tenants; and, to change the investment manager and strategic allocation for Sidney Sussex 1975 Pension Scheme as part of the plan for pension scheme deficit reduction.

Other key risks

In addition to the principal risk described above, the table above shows that the College identified eight additional risks which in 2021 were also assessed as having a red 'raw' risk rating, but which have been ranked amber, and hence lower than the financial risk, in terms of 'residual' risk. This is largely due to the anticipated and cumulative effects of the mitigation being applied. These eight risks are summarised in the table below in order of residual risk score (highest to lowest).

Risk	Risk description and incidences of crystallisation	Mitigating action in 2020-21
Student Welfare	This risk constitutes potential failures of student welfare and / or pastoral support leading to mental health, safeguarding or pecuniary issues for students.	Specific additional actions taken in 2020-21 to mitigate this risk have included the review of college rules and processes which deal with harassment and sexual misconduct, and other breaches of discipline, to ensure consistency with and ease of access to improved university processes; and the appointment of a Head of Student Wellbeing who will join the College in September 2021 and will develop a new strategy of mental health and well-being support for students.

Risk	Risk description and incidences of crystallisation	Mitigating action in 2020-21
Student Academic and Personal Development	This risk constitutes potential failure by the College to enable students to flourish academically and personally. The risk was heightened with the emergence of COVID-19 and the need for remote learning for significant periods and aspects of the learning experience throughout 2020 and 2021. Crystallisation of the risk has been seen in the increased number of student allowances and intermissions this year.	In addition to the key controls in place to manage this risk, the following additional actions have been pursued: the advance budgeting of extra and co-curricular student support; working with the JCR/MCR and the COVID-19 Operations Working Group to secure maximum scope for college facilities and student events; the implementation of a COVID supervisions policy to enable supervisions to take place face to face safely when it has been possible to offer this.
Academic Staff	This risk constitutes potential failure to attract and retain high quality academic staff to deliver the College's teaching needs and to contribute to good college governance through engaged membership with Council, Governing body and their committees; as well as the College's ability to provide an attractive interdisciplinary scholarly community.	In addition to some of the key controls to mitigate this risk, including regular review of teaching needs and UTO scheme opportunities, clear expectations and monitoring of contributions/stint of both CTOs and UTO Fellows, and flexibility in appointment terms, specific additional action in 2020-21 has included discussion at Council as to ways in which collegiality could be sustained under COVID restrictions, with regular Zoom meetings for Fellows and resumption of Formals during the periods when this has been possible.
Student admissions	This risk constitutes potential deviations of actual admissions from target numbers, failure to identify candidates with best potential, failure to widen participation, failure to fulfil the University's Access Participation Plan obligations, and failure to comply with due process. Sidney Sussex met three of the five widening participation targets for undergraduate admissions in 2021.	In addition to the key controls in place to manage this risk which includes a transparent admissions process, University trained interviewers, and an outreach programme, the following additional actions were pursued in 2020-21: The development of additional plans for outreach content on the website and YouTube; and the implementation of an online admissions interviews process within the context of the continuing COVID-19 situation. The Admissions Director will highlight the importance of the University targets to Directors of Studies in the 2022 admissions process.
Health & Safety	This risk constitutes potential failure to maintain a safe environment for college members, staff and visitors; it has been exacerbated in 2020-21 by COVID-19 and the return to work by most staff at the start, and for a period, of Michaelmas Term 2020.	In addition to the key controls in place to manage this risk, in 2020-21, the COVID task force via the Operation working group, has continued to be a forum for the active monitoring of the COVID situation in College and the regular review of a range of College COVID protocols and risk assessments.

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Risk	Risk description and incidences of crystallisation	Mitigating action in 2020-21
Communication	<p>This risk constitutes the potential for the College's communications activities to lead to damaging publicity, or the provision of inadequate or inaccurate information which impacts the College's reputation. In 2020-21, the College has continued to experience increased scrutiny from the press, mainly student press, in relation to admissions policy and COVID-19 management.</p>	<p>In addition to the existing controls in place to manage this risk, which includes a communications officer to manage day to day communications and a communications steering group to review communications data and to advise on policy decisions, it was decided that in 2020-21, a comprehensive review of the governance and accountability for communications across the College would be initiated. This will be ongoing during the 2021-22 academic year, to culminate in clear lines of responsibility and a broad communications plan for the College, incorporating multiple target audiences and communication channels.</p>
Assistant staff	<p>This risk constitutes the potential failure of the College to attract and retain appropriately skilled and capable staff needed to meet the ongoing requirements of the College, failure to execute the contractual obligations as an employer, and/or failure to follow best HR practice or provide a safe and fair working environment.</p> <p>The risk is likely to be an increasing one in the year ahead due to the increasing difficulty in recruiting staff as a result of both Brexit and the reopening of the economy after COVID lockdowns.</p>	<p>In addition to existing controls which include the regular review of HR policies and processes by Finance & Needs Committee which reports to Council, and ongoing liaison with outside sources such as the wider University, professional legal advisers, and the inter-collegiate HR Forum, the following actions have been initiated in 2020-21: the induction of a new full-time HR manager; the identification of training needs / training solutions, and the development of a system for monitoring/tracking training.</p> <p>COVID-19 has continued to increase the challenge of managing assistant staff in 2020-21 but the measures to help mitigate the COVID-19 situation have continued to embed successfully, including regular online team catch-ups and creation of an online portal with information regarding specific COVID-19 policies and communications.</p>
Information Technology	<p>This risk constitutes the potential loss or corruption of data, or loss of access to IT services; with the risk having been increased within the context of COVID by staff needing to work remotely.</p>	<p>In addition to the range of key controls for managing this risk, additional actions implemented in 2021 have included: the updating of policies and procedures to ensure best security practice, and carrying out a review of Azure data retention policies in order to implement best practice.</p>

5. Plans for future periods:

The College is a permanent institution and an important constituent of the collegiate University of Cambridge. The charitable purpose is that the College is a place of education, religion, learning and research, and it aims to promote academic excellence and freedom of thought and belief.

College plans for the short and medium term include:

- ensuring that the College is, and remains, a COVID-19 secure environment for staff and students, through regular review of the College Risk Assessments and ongoing implementation and monitoring of agreed mitigating action in the light of evolving Department for Education and Public Health England advice
- continuing to develop proposals for improvements in pastoral care, following receipt of donor funding for this purpose, working with the newly recruited College Head of Student Wellbeing who commences work for the College in September 2021
- continued review of the College's admissions strategy in the light of the University's Access and Participation Plan (APP), the wider Admissions Review initiated by the University which reported in 2021, the government consultation on Post Qualification Assessment, and preparation for involvement in the University-wide foundation year programme, the first intake of which will be in 2022-23
- ongoing review and implementation of the structure and remuneration of teaching provision within the College
- capitalising on the opportunities that the completion in Summer 2021 of the project to build a new basement kitchen and create a new servery and dining hall, affords the College in terms of enhanced student dining, conference and alumni events
- ongoing implementation of plan to recover from COVID-19 financial losses by 2023-24; that is to return to break-even on surplus/deficit before major works and donations, and take appropriate measures to rebuild free reserves to meet the target level of £5 million
- building upon the work carried out by the newly established Equality, Diversity and Inclusion working group to develop a strategy for improving equality, diversity and inclusion within the College
- developing and implementing an environmental sustainability strategy and plan for the College
- developing a strategic framework for the College which will be based on a review of the challenges and achievements of the College, and consultation with key stakeholders
- succession planning for the Mastership, within the processes set out in the statutes, for when the current Master's term ends in 2023
- continuous improvements to governance arrangements, including an ongoing review of College policies and protocols

Approved at the meeting of the Council on 10 November 2021



Professor R Penty
Master

CORPORATE GOVERNANCE

In February 2018 a revised set of Statutes for the College were approved by the Privy Council. The College is governed, under these Statutes, by two principal bodies:

- **The Governing Body:** comprises the Master, all Fellows in Class 1 (teaching), Class 2 (research) or Class 3 (administrative), and four elected students representing the junior members of the College. The Governing Body meets 6 to 8 times a year. It elects the College Council and supervises its work. In addition, it has the authority to make or amend the statutes and ordinances of the College and to resolve issues concerning their interpretation; to authorise any substantial alterations or additions to the College buildings or grounds; to hold the annual Audit Meeting; to elect and decide on the remuneration of the Master (subject to the Remuneration and Benefits Committee); and to elect the Vice-Master.
- **The College Council:** comprises the Master, three Fellows ex officio (the Vice-Master, Bursar and Senior Tutor), nine to twelve Fellows elected for three-year terms by the Annual Meeting of the Governing Body, and four junior members, three of whom are elected ex officio and one directly. The Council usually meets 9 times a year, and deals with all matters of College administration not reserved to the Governing Body. The members of the College Council are the charity trustees of the College.

The Governing Body and the College Council are served by sub-committees of which the principal ones as set out in the Statutes and Ordinances are: Audit Committee, Education and Pastoral Care Committee, Finance and Needs Committee, Investment Committee, Remuneration and Benefits Committee and Statutes and Ordinances Committee. The Audit, Investment and Remuneration and Benefits Committees contain members who are external to the College.

The **Finance and Needs Committee** is a standing committee of the Council, appointed annually, normally at the Annual Council Meeting. The Committee has the responsibility for the financial affairs of the College, including in the long-term, and for all aspects of financial policy, which includes: priorities and resources for teaching needs identified by the Education and Pastoral Care Committee, financial strategy and policy, financial planning and resource management, including human resources, College accounts and suitable procedures for financial and other control. The Committee shall act as a remuneration and benefits committee for assistant staff, setting annual policy and pay bands.

The **Audit Committee** is a standing committee of the Governing Body, appointed annually, normally at the Annual Meeting. The Committee has the authority to seek out concerning information and investigate any matter within its remit. Any member of the Committee, and any authorised agent of the Committee, may inspect the financial records of the College. The Committee will scrutinise accounting policy and practice, alongside the internal systems of financial and other control set by the Finance and Needs Committee. It will also set policy and oversee procedures for risk assessment and risk management. It is its duty to manage the annual external audit of the College accounts and it has general oversight of the effectiveness of College governance, with authority to raise any matter of concern with the Governing Body.

The **Investment Committee** is a standing committee of the Council, also appointed annually. Within the terms of policies set by the Council and subject to any specific directions from the Council, the Committee manages cash, including the investment or realisation of operational cash, stocks and shares and other financial instruments, investment funds and land or any interests in land held for investment purposes.

The **Remuneration and Benefits Committee** is a standing committee of the Governing Body. The Committee acts as an independent advisory body with power to set limits on the level of remuneration and other direct and indirect benefits (including the receipt of any salary, stipend, allowance, fund or facility, or any other benefit of a measurable value) of the Master, Fellows and Officers of the College, including the Trustees.

The **Education and Pastoral Care Committee** is a standing committee of the Council. The Committee has general superintendence of educational policy and provision in the College, keeping all aspects under review. In particular it monitors relevant University policies and general public policies on educational matters, considers proposals and makes recommendations on undergraduate and graduate admissions policy and practice, makes annual assessments of teaching needs and resources and identifies any appropriate changes to teaching provision or admissions practice, including the addition or loss of teaching staff. The Committee

takes steps to maintain the quality of College teaching and its cost-effectiveness, and for that purpose take due account of feedback from students, both through formal general consultation and in dialogue with students' representatives. It reports annually to the Council on the academic performance of undergraduate and postgraduate students and proposes measures which may help sustain and improve that performance including, through the appropriate channels (in particular the Graduate Tutors' Committee and Education Sub-Committee of the Senior Tutors' Committee) any aspects of the collegiate University's educational provision for postgraduates which gives rise to concern.

The **Statutes and Ordinances Committee** is a standing committee of the Governing Body. The Committee provides advice on legal matters which arise, whether within the College or from advice or consultations initiated by bodies in the collegiate University or beyond. It keeps the Statutes and Ordinances of the College under review in the light of University policy and practice, the law of the land and best practice, and makes recommendations for changes to the instruments of governance, providing appropriate draft instruments to give effect to such recommendations.

STATEMENT OF INTERNAL CONTROL

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

The system of internal control is risk based, so is designed to manage and mitigate, rather than eliminate, the risk of failure to achieve policies, aims and objectives.

The system of internal control is designed to identify the principal risks to the achievement of the College's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The Council has responsibility for agreeing the risk assessment. Risk management is delegated to individual Committees and is overseen by the Audit Committee. The Audit Committee's and Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The Audit Committee meets without officers being present and can carry out independent investigations of complaints and is a point of independent contact for the Auditors.

RESPONSIBILITIES OF THE COUNCIL

The 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's Statutes, and the Statutes and Ordinances of the University of Cambridge, require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Council is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Statutes of the University of Cambridge. It 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 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.

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL

Opinion

We have audited the financial statements of Sidney Sussex College (the 'College') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 Operating and Financial Review.

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

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

Responsibilities of the Council

As explained more fully in the responsibilities of the Council statement set out on page 26, 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 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

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 16 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

Basis of preparation

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

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

Basis of accounting

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

Going Concern

In light of the global pandemic that commenced in early 2020, the Trustees have specifically considered the impact of the COVID-19 (coronavirus) pandemic, including the extent to which the College has experienced disruption in its activities in the year. Whilst students returned in October 2020, the second lockdown in January 2021 caused further disruption which impacted on the College's ability to generate sufficient income from tuition fees, accommodation and catering and investment activities to meet its ongoing expenditure obligations. After the year end, following government announcements, some conference and Summer school activities were able to take place.

The College has undertaken additional budgeting, forecasting and cash flow planning which is reviewed and monitored by the Finance and Needs Committee and Council. Forecasts have been prepared for the period to 2026 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 reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has made use of the Government Job Retention Scheme. 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.

Consolidation of subsidiaries

Sidney Sussex College has two wholly owned subsidiaries, Sidney Sussex Limited and Sidney Sussex Hospitality Company. Sidney Sussex Limited is a dormant company and Sidney Sussex Hospitality Company Ltd has not been consolidated on the basis of materiality but has produced accounts that are available at Companies House.

Recognition of income

Academic fees

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

Grant income

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

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

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. 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. Restricted capital grants are released to general reserves upon completion of the capital project to which they relate.

Special Trust Funds are restricted funds that the College holds in trust. The College is not free to change the terms on which these funds were established, though, as a result of the new Statutes approved in February 2018, it does have relatively broad powers to use surplus income.

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.

Designated Funds are funds that have been given without restriction, which the Council has decided to designate for a specific purpose. Often this reflects the preferences of the donor. The Council is free to make and amend the regulations for these funds.

Donations with no restrictions are recorded within the 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.

All investment income is credited to the Statement of Comprehensive Income and Expenditure in the period in which it is earned. It is then transferred to an Accumulated Income Account, from which the Council declares an annual dividend. This dividend forms the income for the Trust Funds for the year. The scheme is designed to smooth out fluctuations in Trust Fund income.

Other income

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

Cambridge Bursary Scheme

In 2020-21, the Cambridge Bursaries given by the College to eligible students were made directly by the Student Loans Company (SLC). 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 College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges".

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The net payment of £107,250 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£119,000
Expenditure	£226,250

Foreign currency translation

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

Fixed assets

Land and buildings

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

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

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

Fixed assets

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings and Long Leasehold Buildings are depreciated on a 1% reducing balance basis.

Short Leasehold Buildings are depreciated over the life of the lease up to a maximum of 50 years.

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

Land held specifically for development, investment and subsequent sale is included in current assets at the lower of cost and net realisable value.

The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £5,000 per individual item is written off in the year of acquisition unless the aggregate value of related items exceeds £25,000. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	2-25% reducing balance/straight line
Motor vehicles	20% straight line
Plant and equipment	15-25% reducing balance/straight line

Leased assets

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

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

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

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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 2000 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 2000 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 are included in the balance sheet at fair value on 30 June each year, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost.

Investment properties are included at fair valuation and the aggregate surplus or deficit is transferred to Unrestricted Reserves. A formal valuation of the commercial property holdings was carried out by Cheffins, Chartered Surveyors, as at 30 June 2020.

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

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

cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

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

Financial liabilities

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

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

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

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

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

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

Taxation

The College is a registered charity (number 1137586) 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 liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension costs

Retirement benefits for employees, who started after 2 January 2004, and for the majority of Fellows are provided by the Universities Superannuation Scheme (USS). Benefits for participating employees who started before 1 January 2004 are provided by the College's own scheme, Sidney Sussex 1975 Pension Scheme, but this is now closed to new entrants.

Universities Superannuation Scheme

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

Sidney Sussex College 1975 Pension Scheme

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension Scheme up to 31 March 2016. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme and is accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the employees' and Fellows' services.

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 estimates and judgements

The preparation of the College's accounts requires College Officers 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.

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

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

Useful lives of property, vehicle, equipment and furniture– Property, vehicle, equipment and furniture 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 8.

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 were revalued to their fair value at the reporting date by Cheffins Commercial. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. The revised valuation at 30 June 2021 was reduced from £17.4 million to £15.0 million. Given the unknown future impact that COVID-19 might have on the real estate market, the valuation of the properties will be kept under frequent review.

Investments in Charities Property Fund – the College holds an investment in the Charities Property Fund Income Units which at the year-end was valued at £2.5 million.

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.

College Officers are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements. Further details are given in note 26.

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 2036. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on College Officers' estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 26.

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STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000
Income									
Academic fees and charges	1	2,762			2,762	2,706			2,706
Accommodation, catering and conferences	2	1,909			1,909	3,024			3,024
Investment income	3a	1,468	33	676	2,177	2,223	55	865	3,143
Endowment return transferred		261	415	(676)	0	334	531	(865)	0
Other income		429			429	385			385
Total income before donations and endowments		6,829	448	0	7,277	8,672	586	0	9,258
Donations									
New endowments	3b	1,569	155		1,724	1,359	13		1,372
Other capital grants for assets	3b		636	2	636		210	0	0
Total income from donations and endowments		1,569	791	2	2,362	1,359	223	0	1,582
Total income		8,398	1,239	2	9,639	10,031	809	0	10,840
Expenditure									
Education	4	(3,724)	(514)		(4,238)	(3,978)	(438)		(4,416)
Accommodation, catering and conferences	5	(3,586)	(2)		(3,588)	(4,392)	0		(4,392)
Other expenditure		(442)	(37)		(479)	317	(42)		275
Contribution under Statute G,II		(12)			(12)	(24)			(24)
Total expenditure	6	(7,764)	(553)	0	(8,317)	(8,077)	(480)	0	(8,557)
Surplus/(deficit) before other gains and losses		579	686	2	1,322	1,954	329	0	2,283
Gain/(loss) on disposal of fixed assets	8				0				0
Gain/(loss) on investments	9 & 11	2,969	116	4,401	7,486	(6,958)	(68)	(2,398)	(9,424)
Surplus/(deficit) for the year		3,548	802	4,403	8,808	(5,004)	261	(2,398)	(7,141)
Other comprehensive income									
Actuarial (loss) in respect of pension schemes	15	1,460			1,460	(1,224)			(1,224)
Total comprehensive income for the year		5,008	802	4,403	10,268	(6,228)	261	(2,398)	(8,365)

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STATEMENT OF CHANGES IN RESERVES

	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2020	55,233	6,031	25,664	36,372	123,300
Surplus/(Deficit) from income and expenditure statement	3,603	802	4,403		8,808
Other comprehensive income	1,460				1,460
Release of restricted capital funds spent in the year	4,891	(4,891)			0
Transfers to / from Reserves	67	(120)	100	(46)	0
Balance at 30 June 2021	65,254	1,822	30,167	36,326	133,568

	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2019	55,204	5,953	27,960	42,548	131,665
Surplus/(Deficit) from income and expenditure statement	(5,095)	352	(2,398)		(7,141)
Other comprehensive income	(1,224)				(1,224)
Release of restricted capital funds spent in the year	10	(10)			0
Transfers to / from Reserves	6,337	(264)	102	(6,175)	0
Balance at 30 June 2020	55,232	6,031	25,664	36,373	123,300

The notes on pages 42 to 56 form part of these accounts

**SIDNEY SUSSEX COLLEGE
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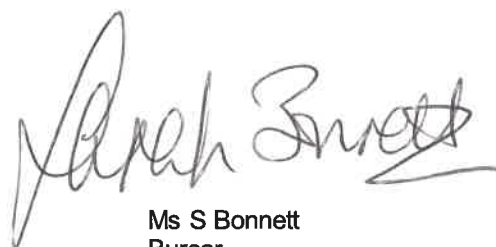
BALANCE SHEET

	Note	2021 £000	2020 £000
Non-current Assets			
Fixed assets	8	59,831	56,760
Heritage assets	8	234	234
Investments	9	84,154	76,797
Total non-current assets		144,219	133,791
Current assets			
Stocks	10	190	163
Trade and other receivables	11	3,003	2,450
Cash and cash equivalents	12	17,040	8,925
Total current assets		20,233	11,538
Creditors: amounts falling due within one year	13	(2,058)	(1,444)
Net current assets		18,175	10,094
Total Assets less current liabilities		162,394	143,885
Creditors: amounts falling due after more than one year	14	(24,900)	(14,900)
Provisions			
Pension provisions	15	(3,926)	(5,685)
Total net assets		133,568	123,300
Represented by:			
Restricted reserves			
Income and expenditure reserve – endowment reserve	16	30,166	25,664
Income and expenditure reserve – restricted reserve	17	1,822	6,031
		31,988	31,695
Unrestricted Reserves			
Income and expenditure reserve – unrestricted		65,254	55,233
Revaluation reserve		36,326	36,372
		101,580	91,605
Total Reserves		133,568	123,300

The financial statements were approved by the Master and Fellows on 10 November 2021 and signed on its behalf by:



Professor R Penty
Master



Ms S Bonnett
Bursar

The notes on pages 42 to 56 form part of these accounts

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CASH FLOW STATEMENT

	Note	2021 £000	2020 £000
Net cash inflow from operating activities	18	(2,614)	(2,828)
Cash flows from investing activities	19	(3,282)	(1,453)
Cash flows from financing activities	20	9,526	8,143
Increase/(decrease) in cash and cash equivalents in the year		<u>3,630</u>	<u>3,862</u>
Cash and cash equivalents at beginning of the year		14,231	10,369
Cash and cash equivalents at end of the year	9 & 12	<u>17,861</u>	<u>14,231</u>

The notes on pages 42 to 56 form part of these accounts

SIDNEY SUSSEX COLLEGE
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NOTES TO THE ACCOUNTS

1	Academic fees and charges	2021	2020
		£000	£000
	Colleges fees:		
	Fee income received at the Regulated Undergraduate rate	1,528	1,474
	Fee income received at the Unregulated Undergraduate rate	468	456
	Fee income received at the Graduate rate	601	673
	Other income	46	0
	Cambridge Bursaries Income	119	103
	Total	2,762	2,706
2	Income from accommodation, catering and conferences	2021	2020
		£000	£000
	Accommodation		
	College members	1,670	1,514
	Conferences	34	802
	Catering		
	College members	202	309
	Conferences	3	399
	Total	1,909	3,024
3	Endowment and investment income	2021	2020
		£000	£000
3a	Investments		
	Income from:		
	Land and buildings	750	1,381
	Quoted securities	1,385	1,672
	Other interest receivable	42	90
	Total	2,177	3,143
	Represented by:	2021	2020
		£000	£000
	Unrestricted Income	1,468	2,129
	Restricted Income	33	48
	Endowment income - Unrestricted Permanent	261	334
	Endowment income - Restricted Permanent	415	632
	Total	2,177	3,143
3b	Donations and Endowments	2021	2020
		£000	£000
	Unrestricted General Donations	352	440
	Unrestricted Designated Donations	1,217	919
	Restricted Donations	155	13
	New Endowments	2	0
	Other capital grants for assets	636	210
	Total	2,362	1,582

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4	Education expenditure	2021 £000	2020 £000
	Teaching	1,869	1,893
	Tutorial	630	664
	Admissions	446	457
	Research	257	405
	Scholarships and awards	589	487
	Other educational facilities	447	510
	Total	4,238	4,416
5	Accommodation, catering and conferences expenditure	2021 £000	2020 £000
	Accommodation		
	College members	2,074	2,390
	Conferences	607	682
	Catering		
	College members	670	782
	Conferences	237	538
	Total	3,588	4,392

6a Analysis of 2020-21 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	2,182	1,909	147	4,238
Accommodation, catering and conferences	2,071	1,165	352	3,588
Investment management costs	0	108	0	108
Other	179	187	17	383
USS Provision Adjustment	0	0	0	0
Totals	4,432	3,369	516	8,317

Expenditure includes fundraising costs of £224k.

6b Analysis of 2019-20 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	2,395	1,887	134	4,416
Accommodation, catering and conferences	2,395	1,677	320	4,392
Investment management costs	0	373	0	373
Other	191	215	16	422
USS Provision Adjustment	(1,046)	0	0	(1,046)
Totals	3,935	4,152	470	8,557

Expenditure includes fundraising costs of £236k.

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6c Auditors' remuneration		2021	2020
		£000	£000
Other operating expenses include:			
Audit fees payable to the College's external auditors		21	22
Other fees payable to the College's external auditors		3	2
Total		<u>24</u>	<u>24</u>

7 Staff costs					
Consolidated	College Fellows	Other academic	Non-academic	2021 Total	2020 Total
	£000	£000	£000	£000	£000
Staff costs:					
Salaries	1,015	35	2,384	3,434	3,791
National Insurance	100	2	194	296	325
Pension costs	207	4	491	702	865
Sub-total	<u>1,322</u>	<u>41</u>	<u>3,069</u>	<u>4,432</u>	<u>4,981</u>
USS Provision Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,046)</u>
Total	<u>1,322</u>	<u>41</u>	<u>3,069</u>	<u>4,432</u>	<u>3,935</u>

Average staff numbers	Average staff numbers 2021		Average staff numbers 2020	
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	61	-	65	-
Non-academic	9	91	9	100
Total	<u>70</u>	<u>91</u>	<u>74</u>	<u>100</u>

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

	2021	2020
	Total	Total
	£000	£000
£100,001 - £110,000	<u>0</u>	<u>0</u>
£110,001 - £120,000	<u>1</u>	<u>1</u>

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated emoluments paid to key management personnel. Key management personnel for the College include the Master, Vice Master, Bursar, Senior Tutor and Development Director. Aggregated emoluments consist of salary and taxable benefits but exclude any employer's pension contribution.

	2021	2020
	Total	Total
	£000	£000
Key management personnel	<u>356</u>	<u>346</u>

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

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8 Fixed assets

	Freehold Land and buildings	Leasehold Land and buildings	Vehicle, Equipment and Furniture	Assets in construction	2021 Total	2020 Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At beginning of year	49,795	1,201	1,341	7,425	59,762	55,300
Additions			44	3,543	3,587	4,462
Transfers	9,085		1,883	(10,968)	0	
Disposals			(106)		(106)	
Transfer to SOCIE						
At end of year	58,880	1,201	3,162	0	63,243	59,762
Depreciation						
At beginning of year	(2,292)	(186)	(524)		(3,002)	(2,534)
Charge for the year	(379)	(28)	(73)		(480)	(468)
Eliminated on disposals			69		69	
At end of year	(2,671)	(214)	(528)		(3,413)	(3,002)
Net book value						
At end of year	56,209	987	2,634	0	59,830	56,760
At beginning of year	47,503	1,015	817	7,425	56,760	52,767

The insured value of land and buildings as at 30 June 2021 was £153m (2020: £140m).

Heritage assets

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

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2000 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 £000	2020 £000	2019 £000	2018 £000	2017 £000
Acquisitions purchased with specific donations					
Acquisitions purchased with College funds					
Total cost of acquisitions purchased					
Value of acquisitions by donation					
Total acquisitions capitalised	234	234	234	234	234

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9 Investments

	2021 £000	2020 £000
Balance at beginning of year	76,797	83,540
Additions	7,872	6,219
Disposals	(3,254)	(3,621)
Depreciation		
Transfers out	(3)	44
Gain/(loss)	7,227	(9,517)
Increase/(decrease) in cash balances held at fund managers	(4,485)	132
Balance at end of year	<u>84,154</u>	<u>76,797</u>

Represented by:

Property	15,021	17,400
Property Held for Sale		
Quoted securities – equities	67,762	51,611
Fixed interest securities	0	1,934
Unquoted securities – equities	450	443
Cash on Short Term Deposit	821	5,306
Cash in hand and at investment managers	0	0
Other investments	100	103
	<u>84,154</u>	<u>76,797</u>

The College has two wholly owned subsidiaries. Sidney Sussex Limited, a dormant company and Sidney Sussex Hospitality Company, a conference business. All profits generated through Sidney Sussex Hospitality Company are covenanted back to the college.

10 Stocks and work in progress

	2021 £000	2020 £000
Goods for resale	143	134
Other stocks	47	29
Total	<u>190</u>	<u>163</u>

11 Trade and other receivables

	2021 £000	2020 £000
Members of the College	166	83
Other receivables	684	359
Prepayments and accrued income	637	351
Provision for bad debts etc	(251)	(231)
Assets Held for Sale (Due less than 1 year)	872	381
Assets Held for Sale (Due greater than 1 year)	895	1,507
Total	<u>3,003</u>	<u>2,450</u>

12 Cash and cash equivalents

	2021 £000	2020 £000
Short-term money market investments	10,686	7,695
Current accounts	6,354	1,230
Total	<u>17,040</u>	<u>8,925</u>

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13 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Payments on account	131	109
Trade creditors	237	316
Taxation and Social Security	83	87
University fees	19	66
Contribution to Colleges Fund	12	24
Other creditors	321	310
Accruals and deferred income	1,255	532
Total	2,058	1,444

14 Creditors: amounts falling due after more than one year

	2021	2020
	£000	£000
College Bond (30 year) 4.40% interest rate- maturing October 2043	2,900	2,900
College Bond (30 year) 4.45% interest rate- maturing January 2044	1,200	1,200
College Bond (40 year) 4.40% interest rate- maturing October 2053	2,300	2,300
Pensions Insurance Corporation Private Placement 2.26% interest rate- maturing December 2063	8,500	8,500
Pensions Insurance Corporation Private Placement 2.24% interest rate- maturing May 2066	10,000	
Total	24,900	14,900

During 2013-14, the college borrowed from institutional investors, collectively with other Colleges, the College's share being £6.4 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to net Assets, and has been in compliance with the covenant at all times since incurring the debt. In March 2020, the college secured a new long term loan for £8.5 million with the Pensions Insurance Corporation (PIC) with a maturity date of 12 December 2063 at a fixed interest rate of 2.26%. In June 2021, the college secured a further long term loan for £10 million with the Pensions Insurance Corporation (PIC) with a maturity date of 12 May 2066 at a fixed interest rate of 2.24%.

15 Pension provisions

	Sidney Sussex College 1975 Pension Scheme	USS	2021	2020
	£000	£000	Total £000	Total £000
Balance at beginning of year	4,321	1,364	5,685	5,732
Movement in year:				
Current service cost including life assurance	132	500	632	(327)
Contributions	(416)	(590)	(1,006)	(1,087)
Other finance (income)/cost	65	10	75	143
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(1,460)	0	(1,460)	1,224
Balance at end of year	2,642	1,284	3,926	5,685

See note 26 for further analysis

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16 Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2021 Total £000	2020 Total £000
Balance at beginning of year				
Capital	15,678	9,986	25,664	27,960
New donations and endowments		2	2	
Increase/(decrease) in market value of investments	2,697	1,703	4,400	(2,398)
Transfers to / from Reserves	100	0	100	102
Balance at end of year	18,475	11,691	30,166	25,664

Analysis by type of purpose

Fellowship Funds	9,434		9,434	8,077
Scholarship Funds	3,459		3,459	2,881
Prize Funds	183		183	157
Hardship Funds	272		272	232
Bursary Funds	238		238	202
Travel Grant Funds	233		233	199
Other Funds	4,656		4,656	3,930
General endowments		11,691	11,691	9,986
Total	18,475	11,691	30,166	25,664

Analysis by asset

Property				0
Investments	18,476	11,688	30,164	25,664
Cash		2	2	0
Total	18,475	11,691	30,166	25,664

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17 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2021 Total £000	2020 Total £000
Balance at beginning of year					
Capital			773	773	890
Accumulated income	4,126	991	141	5,258	5,063
	4,126	991	914	6,031	5,953
Prior Year Adjustment: Change of Fund Classification					
New grants	636			636	210
New donations			155	155	13
Other investment income	14	414	19	447	587
Increase/(decrease) in market value of investments			116	116	(68)
Expenditure	(9)	(439)	(105)	(553)	(480)
Capital grants utilised	(4,891)			(4,891)	(10)
Transfers to / from Reserves	124	(114)	(130)	(120)	(173)
Balance at end of year	0	852	969	1,821	6,031
Comprising of:					
Capital		0	844	844	773
Accumulated income		852	125	978	5,258
		852	969	1,822	6,031
Fellowship Funds		320	0	320	396
Scholarship Funds		224	0	224	295
Prize Funds		7	0	7	6
Hardship Funds		41	2	43	47
Bursary Funds		51	694	745	671
Travel Grant Funds		32	91	123	112
Other Funds		177	182	359	4,504
Total		852	969	1,822	6,031
Analysis by asset					
Property					
Investments			1,003	1,003	725
Cash		852	(33)	820	5,306
Total		852	969	1,822	6,031

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

	2021	2020
	£000	£000
Surplus (deficit) for the year	8,808	(7,141)
Adjustment for non-cash items		
Depreciation	516	468
Loss/(gain) on disposal of fixed assets		
Loss/(gain) on investments	(7,487)	9,424
Decrease/(increase) in stocks	(27)	60
Decrease/(increase) in trade and other receivables	(675)	276
Increase/(decrease) in creditors	614	(276)
Pension costs less contributions payable	(299)	(1,271)
Adjustment for investing or financing activities		
Investment income	(2,177)	(3,143)
Interest payable	474	357
Donations and Legacies	(1,726)	(1,372)
Donations for Capital Grants	(636)	(210)
Net cash inflow/(outflow) from operating activities	(2,615)	(2,828)

19 Cash flows from investing activities

	2021	2020
	£000	£000
Current investment disposal	381	926
Non-current investment disposal	3	(44)
Investment income	2,177	3,143
Withdrawal of deposit	3,254	3,621
Payments made to acquire non-current fixed assets	(3,587)	(4,462)
Payments made to acquire non-current investment assets	(7,872)	(6,219)
Donations and Legacies	1,726	1,372
Donations for Capital Grants	636	210
Total cash flows from investing activities	(3,282)	(1,453)

20 Cash flows from financing activities

	2021	2020
	£000	£000
Interest paid	(474)	(357)
New secured loans	10,000	8,500
Repayments of amounts borrowed		
Total cash flows from financing activities	9,526	8,143

21 Analysis of cash and cash equivalents

	At beginning of year £000	Cash flows £000	At end of year £000
Cash at bank and in hand	14,231	3,630	17,861
Cash held at Fund Managers			
Net Funds	14,231	3,630	17,861

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22 Capital commitments

	2021 £000	2020 £000
Capital commitments at 30 June 2021 are as follows:		
Authorised and contracted		3,859
Authorised but not yet contracted for	112	

23 Lease obligations

At 30 June 2021 the College had commitments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Land and buildings:		
Expiring within one year	0	0
Expiring in over 5 years	1	1

24 Reconciliation and analysis of net debt

	At 1 July 2020	Cash Flows	At 30 June 2021
	£000	£000	£000
Cash and cash equivalents	14,231	3,630	17,861
Borrowings:			
Amounts falling due within one year			
Secured loans			
Unsecured loans			
Bank overdraft			
<i>subtotal</i>	0	0	0
Borrowings:			
Amounts falling after more than one year			
Secured loans	14,900	10,000	24,900
Unsecured loans	14,900	10,000	24,900
<i>subtotal</i>	14,900	10,000	24,900
Total	(669)	(6,370)	(7,039)

25 Financial Instruments

	2021 £000	2020 £000
Financial assets		
<i>Financial assets at fair value through Statement of Comprehensive Income</i>		
Listed equity investments	67,762	53,545
Other equity investments	450	443
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	17,861	14,232
Other debtors	2,371	2,099
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft		
Loans	24,900	14,900
Trade creditors	237	316
Other creditors	566	596

26 Pension schemes

The College participates in two defined benefit schemes:

Universities Superannuation Scheme

The total cost charged to the profit and loss account is £511,144 (2019-20: £441,424 was credited). This includes £52,080 (2019-20: £56,443) outstanding contributions at the balance sheet date.

Deficit recovery contributions due within one year for the College are £156,328 (2019-20: £61,940)

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 assumptions 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%

Universities Superannuation Scheme (Continued)

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	<p>Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females</p> <p>Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females</p>
Future improvements to mortality	CMI_2016 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 provision 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%	1.00%

Sidney Sussex College 1975 Pension Scheme

The College operates a defined benefits plan, the Sidney Sussex College 1975 Pension Scheme.

The liabilities of the plan have been estimated for the purposes of FRS102 based on the results of the actuarial valuation as at 1 July 2020, adjusted for the different assumptions required under FRS102 and taking into consideration subsequent cash flows.

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

	2021 % pa	2020 % pa
Discount rate	1.85	1.45
Increase in salaries	3.00	4.05
RPI assumption	3.30	3.05
CPI assumption	2.50	2.25
Increases to deferred pensions in excess of the GMP	2.50	2.25
Increases to pensions in payment for service pre 6/4/97 in excess of GMP	3.00	2.80
Increases to pensions in payment for service from 6/4/97	3.20	3.00

Members are assumed to retire at the plan normal retirement age.

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Sidney Sussex College 1975 Pension Scheme (Continued)

The underlying mortality assumption is based upon 100% of the rates in the standard table known as S3LPA on a year of birth usage with CMI_2019 future improvement factors and a long-term rate of future improvement of 1.25% p.a. and no additional improvement (A=0%) (2020: S2LPA, CMI_2017, 1.25%, A=0%).

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

	2021	2020
	£	£
Present value of defined benefit obligation	7,829,300	8,734,400
Fair value of plan assets	(5,188,100)	(4,413,800)
Net defined benefit liability	2,641,200	4,320,600

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

	2021	2020
	£	£
Current service cost	135,700	184,900
Interest on the net defined benefit liability	60,600	71,400
Loss on plan changes	-	-
Losses (or gains) on settlements or curtailments	-	-
Total	196,300	256,300

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

	2021	2020
	£	£
Present value of plan liabilities at beginning of period	8,734,400	7,770,500
Current service cost	135,700	184,900
Employee contributions	11,100	17,900
Benefits paid and DIS premiums	(410,100)	(62,300)
Interest on plan liabilities	124,700	176,400
Actuarial (gains)/losses	(766,500)	647,000
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Settlement	-	-
Present value of plan liabilities at end of period	7,829,300	8,734,400

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Sidney Sussex College 1975 Pension Scheme (Continued)

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

	2021	2020
	£	£
Market value of plan assets at beginning of period	4,413,800	4,448,400
Contributions paid by the College	416,000	481,900
Employee contributions	11,100	17,900
Benefits paid and DIS premiums	(410,100)	(62,300)
Administrative expenses	-	-
Interest on plan assets	64,100	105,000
Return on assets, less interest included in Profit & Loss	693,200	(577,100)
Settlement		
Market value of plan assets at end of period	<u>5,188,100</u>	<u>4,413,800</u>
Actual return on plan assets	<u>757,300</u>	<u>(472,100)</u>

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

	2021	2020
Equities	70%	82%
Property	4%	4%
Corporate bonds	6%	-
With profit funds	4%	-
Cash	16%	14%
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 re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021	2020
	£	£
Actuarial gain/(loss) on plan assets	693,200	(577,100)
Actuarial gain/(loss) on plan liabilities	766,500	(647,000)
Re-measurement of net defined benefit liability recognised in OCI	<u>1,459,700</u>	<u>(1,224,100)</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	2020
	£	£
Net defined benefit asset/(liability) at beginning of year	(4,320,600)	(3,322,100)
Recognised in Profit and Loss	(196,300)	(256,300)
Contributions paid by the College	416,000	481,900
Re-measurement of net defined benefit liability recognised in OCI	1,459,700	(1,224,100)
Net defined benefit asset/(liability) at end of year	<u>(2,641,200)</u>	<u>(4,320,600)</u>

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27 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 £2,286k in the provision for the obligation to fund the deficit on the USS pension which would instead be £3,570k. 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 £4,442k in the provision for the obligation to fund the deficit on the USS pension which would instead be £5,727k.

28 Contingent Liabilities

No contingent liability has been recognised.

29 Related Party Transactions

Owing to the nature of the College's operations and the composition of the College Council, it is inevitable that transactions will take place with organisations in which a College Council member 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 Remuneration Committee.

The salaries paid to Trustees (excluding employer's national insurance contributions and employer's pension contributions employers) in the year are summarised in the table below:

	From	To	2021 Number	2020 Number
	£0	£10,000	10	7
	£10,001	£20,000	-	2
	£20,001	£30,000	-	-
	£30,001	£40,000	1	1
	£40,001	£50,000	2	4
	£50,001	£60,000	-	-
	£60,001	£70,000	1	2
	£70,001	£80,000	1	-
	£80,001	£90,000	1	1
	£90,001	£100,000		
		Total	16	17
The total Trustee salaries were £416k for the year (2019-20: £497k)				
The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £130k for the year (2019-20: £154k)				
The Trustees were also paid expenses in respect of their teaching, research and other duties within the College which totalled £6.7k for the year. These expenses related to travel, College entertainment and research expenditure				
The College has one trading and one dormant subsidiary undertakings which are not 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.				