



**DARWIN COLLEGE  
CAMBRIDGE**

**ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2021**

DARWIN COLLEGE  
ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2021

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## PRELIMINARY INFORMATION

### Body Corporate:

The Master and Fellows of Darwin College in the University of Cambridge

### Address:

Silver Street, Cambridge CB3 9EU

### Charity Registration Number:

1141105

### Charity Trustees:

The College's Trustees for Financial Year 2020-21 were:

Professor C M R Fowler	Master (to 30 September 2020)
Dr M R W Rands	Master (from 1 October 2020)
Professor F E Karet	Vice-Master
Professor J L Heeney	Vice-Master (to 30 April 2021)
Dr S Baker	Vice-Master (from 1 May 2021)
Dr D J Needham	Dean
Mr J T Dix	Bursar
Professor A C Ferguson-Smith	(to 30 September 2020)
Professor A F Blackwell	(from 1 October 2020)
Professor R P Cowburn	
Professor J B Rowe	
Dr A S C Clouts	

### Principal Advisers:

#### Auditors:

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

#### Bankers:

Barclays Bank plc (Corporate Banking)  
Mortlock House  
Histon  
Cambridge CB4 9DE

#### Property Managers:

Cheffins, Chartered Surveyors  
Clifton House  
1 & 2 Clifton Road  
Cambridge CB1 7EA

#### Investment Fund Managers:

Cazenove Capital Management Ltd  
12 Moorgate  
London EC2R 6DA

## **REPORT OF THE TRUSTEES**

### **INTRODUCTION**

#### **The College**

Darwin College was founded in 1964 as the first graduate college in the University of Cambridge. The College was created an Approved Foundation on 29 January 1965, and was incorporated by Royal Charter dated 9 June 1976 as a Body Politic and Corporate under the name and style of "The Master and Fellows of Darwin College in the University of Cambridge". The College is an educational charity. It enjoyed exemption from registration from its foundation until 2010 when changes in charity law required it to become registered with the Charity Commission, which it has been since 4 April 2011. The main College site is at Silver Street, Cambridge, CB3 9EU.

#### **Aims and Objectives of the College**

The College's principal object under its Charter is to advance education, learning and research in the University of Cambridge. It pursues this objective by:

- Promoting and fostering excellence in academic education and learning through providing a community of scholarship for its graduate students.
- Creating and nurturing a vibrant and supportive research community for its Fellows, graduate students, other members, and visitors.
- Maintaining and enhancing the endowment, benefactions, buildings, grounds, and facilities of the College for the continuing benefit of current and future generations of members.

The maintenance of the College's financial viability for the present and long term, and of its independence and autonomy within the collegiate university, are consistent with and necessary conditions for the fulfilment of its charitable purposes.

#### **Public Benefit**

The College provides, in conjunction with the University of Cambridge, an educational and support base for over 700 post-graduate students, and very occasionally undergraduate-status students in specific disciplines. The education under the Cambridge collegiate system is recognised internationally as being of the very highest standard. The teaching and research challenges and develops students academically, fosters leadership qualities and interpersonal skills, and prepares them to play full and effective roles in society, whether in the UK or in the 68 other countries from which the membership is currently drawn. Although only half a century old, the College already numbers Nobel prize winners amongst its Fellows and alumni.

In particular, the College provides:

- Physical and technical facilities supporting its students in their individual study regimes, as well as supporting teaching activities in the wider University, and for seminars and a public lecture series of international renown;

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- Pastoral, administrative, and academic support for its students through the Deanery with tutoring and mentoring provided by Fellows; and
- Social, cultural, sporting, musical and recreational facilities, enabling students to balance fully their academic and personal lives, and develop their potential, whilst studying in Cambridge.

The College advances research by:

- Providing currently 25 research fellowships and around 50 post-doctoral positions to outstanding researchers in the early stages of their careers; these appointments enable them to develop and focus intensively on their post-doctoral research work, in that crucially formative period prior to their taking on teaching duties in an academic post;
- Supporting the work of all its Fellows by creating and promoting international and interdisciplinary contact both informally and in seminars and lectures;
- Fostering academic networking, and access to and involvement in cutting-edge research, particularly by providing facilities for outstanding academics from other universities in the UK and overseas to make extended stays as Visiting Fellows and Visiting Researchers; and
- Offering access to invaluable resources for all members of the College, particularly in the provision and maintenance of a Study Centre and Library, and extensive IT facilities.

Members of, and academic visitors to, the College, both students and Fellows, are the prime beneficiaries. They are directly engaged in education, learning and research and the College's students are the recipients of such direct financial support as the College is able to provide to those of limited financial means. More widely, other beneficiaries include students and academic staff from other Cambridge Colleges and the University of Cambridge. Academics from other higher-education institutions and returning alumni members of the College are given opportunities to undertake interdisciplinary research and establish contacts, attend educational events at the College, and make use of its academic facilities; in parallel, the wider public is encouraged to attend certain educational activities provided by the College such as lectures, seminars and concerts. These activities serve to reinforce and underpin life-long learning. A particular example is the Annual Darwin Lecture Series, now in its 36th year, which runs for eight weeks each Lent Term, and attracts audiences of many hundreds drawn from the general public as well as the student and academic community. Since 2007 most of the lectures have been made available online for a global audience, and cumulative downloads to date exceed one million. This year in the midst of the COVID-19 pandemic the lectures were successfully given only online.

In fulfilling its charitable purposes of advancing education, learning and research, the College draws on its senior officers such as Master, Vice-Masters, Dean, and Bursar who receive stipends. These serve with other Fellows as charity trustees through being members of the College Council. Other stipendiary senior officers include the Development Director. Any employment and remuneration of the Master and Fellows is undertaken with the intention of furthering the College's aims and such employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through stipends and related benefits is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector. Without the services of its Master and Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Academic Results and Student Body Profile**

College members graduating in the 2020-21 academic year achieved 70 PhDs and 79 Masters-level degrees (2020: 49 and 68 respectively). During the COVID-19 pandemic there were no congregations at which students could graduate in person. Graduations resumed in person, but without guests, in July 2021 and arrangements are proposed for those who graduated in absence to return for a celebration ceremony with guests.

In the 2020-21 academic year there were 833 student members of the College (for all or part of the year) (2020: 786). Of these 621 were fee-paying post-graduate students and 212 were post-graduate students writing up or under examination (from whom the College receives no fees). The College's fee income in the year, under current arrangements within the collegiate University, is based on its number of fee-paying post-graduate students adjusted to a full-time equivalent, which for the year was 551.47 (2020: 536). 46.2% of fee-paying students were fully funded and 2.4% partially funded as to their combined graduate fees from sources of which the University or College is aware; the balance were self-funded or funded from sources of which the College is not formally aware.

### **Financial Overview**

The College's income comprises academic fees, charges for student accommodation and catering services, investment income, and individual and corporate donations and bequests. Its expenditure comprises the costs of education, of providing and maintaining student residences and catering, of investment and property management, and of development fundraising and alumni relations; and expenditure includes all staff costs and depreciation. In the 2020-21 year the College made an unrestricted deficit after donations but before other gains and losses of £48,534 (2020: surplus of £719,518), a restricted surplus after donations but before other gains and losses of £1,399,237 (2020: £198,478) and new endowments amounted to £182,000 (2020: £226,000).

The net assets of the College at 30 June 2021 were £79,852,725 (2020: £73,664,348).

The College's restricted and endowment reserves at 30 June 2021 were £30,858,324 having increased by £4,537,369 in the year from £26,320,955. The restricted reserves comprise £10,315,171 of restricted or trust funds for defined educational purposes and £20,543,153 of endowment funds or general corporate capital funds, the income from which is essential to fund the deficit which would otherwise arise on the College's academic activities and student services. The College's unrestricted reserves have increased by £1,651,008 from £47,343,393 to £48,994,401. This total includes the College's cash reserves and some investment assets, but the great majority of such funds are fixed assets in the form of the College's operational land and buildings. The College's total reserves are reduced by a provision for pension liabilities of £2,055,234 (2020: £2,543,508).

The College has issued £13million of unsecured fixed interest rate debt raised by way of private placings. The weighted average rate of interest is 3.06% and repayment of the capital is due in the period 2043-2058. This funding will be used to invest in revenue generating operational assets for the College to house more of its students.

### **Benefactions and Donations**

The College is most grateful for donations and bequests (including of royalties), from alumni and from other supporters and organisations. This generosity enables the College to extend and enhance its support for students and Fellows, for the Darwin Lecture Series, and for its physical estate. Current priorities include fundraising for studentships and student hardship, research fellowships, as well as improving elements of the current site (for example the new lift in the Hermitage), and increasing the stock of student accommodation close to the College site. Over the course of the year £1,551,091 (2020: £1,204,420) was raised, including documented pledges of £42,526. A total of 386 (2020: 212) individual and organisational donors contributed in the year at a variety of levels. The College is immensely grateful to them for their support. In particular, the College acknowledges with immense gratitude the most generous legacy received from the late Professor D H Mellor, which has enabled studentships in philosophy to be endowed in perpetuity.

The College spent £235,174 (2020: £227,772) on fundraising and alumni relations in the year. These costs are incurred as the College supports a fast-growing – and global – community of alumni. During the year, the College's events programme has been entirely virtual, although in-person events are now returning as of September 2021. The College invests in communicating with alumni and other supporters through the College magazine, *The Darwinian*, as well as making increased use of electronic and social media.

### **Endowment and Investment Performance**

The College's financial investments are comprised of its invested endowment. The College, as a permanently endowed charity, adopts a long-term time horizon when making investments of its endowment. The College is advised on investment matters, via the Finance (and Investments) Committee, by its fund managers and independent external members co-opted to the Committee.

The return in the year on the College's corporate capital (unrestricted endowment) fund and on its (restricted endowment) trust pool fund was 16% net of fees. No withdrawal of invested capital from these funds was required or made in the year. Dividends and income received on quoted securities decreased year-on-year to £671,882 (2020: £963,949). All investment income received is applied in the pursuit of the charitable objects of the College.

The College encourages socially responsible investment, and monitors its investments against environmental, social and governance standards. Under its investment policy it will not invest in entities where: the investment may conflict, or be inconsistent, with primary aims, objectives and activities of the College; the investment might alienate the College's supporters or potential supporters; the investment may be reputationally damaging; the investment is considered by the Trustees to be unethical; or the investment might otherwise hamper the work of the College. In pursuance of this policy the College recognises that climate change is a real and present danger, and encourages debate on the appropriate response by the College to the risks climate change represents. The College seeks to support sustainability, carbon reduction, the development of renewable energy sources, and action to mitigate the effects of adverse climate change. Consequently, it has divested from fossil fuel companies in which it held shares, has invested in positive investment opportunities, and maintains its direct and indirect holdings under review to ensure these remain consistent with its investment policy.

### **Reserves policy**

The College intends to continue to pursue its objectives in perpetuity. It therefore aims to protect and maintain the real value of its permanent corporate and trust capital, and to continue to increase its unrestricted funds and reserves for the long term, whilst seeking an equitable funding balance between the interests and aspirations of present members and those yet to come, and also retaining an ability to cope with sudden unforeseen financial upheavals and to take advantage of unexpected opportunities. Any new donations or bequests to the College are added to the unrestricted funds unless the donor has made it clear that the funds are to be used for a specific purpose.

The College's free reserves stood at the year end at £6,741,122 (2020: £4,647,407), being its total unrestricted reserves of £48,994,401 less that part of those reserves committed to functional assets (represented by the total of its tangible fixed assets) of £42,253,279. The College seeks to ensure that its free reserves stand in excess of one year's expenditure at current levels. Free reserves at the year-end represented 116% (2020: 81%) of expenditure incurred during the year.

### **Capital Expenditure**

The main items of capital expenditure in the year related to the finalisation of miscellaneous aspects of the John Bradfield Court project and the installation of a lift in the Hermitage adjacent to the main entrance giving step free access from the street to ground and first floor (Dining Hall) levels. All constructions works suffered from delays due to the pandemic, but this did not cause any major disruption to College operations and activities. Minor refurbishment works were maintained and these and other projects have been capitalised in line with the fixed asset accounting policy, to the extent that they increase the expected future benefits to the College.

### **Building Renewals and Maintenance**

The College's buildings on its main site are mainly eighteenth and nineteenth century with modern additions, and adapted houses and purpose-built student hostels off-domus. The buildings are maintained according to a comprehensive long-term rolling maintenance plan which seeks to ensure timely refurbishment, to a standard to minimise unplanned and costly remedial works, carried out within tight budget controls.

In the previous year the College established an Environment Infrastructure Working Group with a remit to investigate the impact of the College's physical estate on the environment, with a view to developing a decarbonisation strategy and adopting other environmentally beneficial measures. The Group's work has focussed on degasification as gas consumption for heating and hot water represents over 90% of the College's direct carbon emissions. Initial studies have demonstrated that the replacement of gas by heat pumps is feasible, and the College will now move into more detailed planning for such improvements across its estate over the next decade or so. For the College core around the Dining Hall, the Hermitage and Rayne Building, the degasification proposals will be included as part of the next phase of the implementation of the masterplan produced in 2018.

### **Pensions**

The College has members of staff in the Universities' Superannuation Scheme (USS), a defined contribution workplace pension scheme, and the Cambridge Colleges' Federated Pension Scheme (CCFPS) (closed to new members).

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The College had 17 active USS members at 30 June 2021, although many Fellows will be USS members though their employment by the University. The USS valuation as at 31 March 2018 valued the assets of the scheme at £63.7 billion and valued its technical provisions at £67.3 billion, indicating a shortfall of £3.6 billion (and a funding ratio of 95%). The College is, taken apart from the University, a very small employer within the scheme. It has considered how to deal with the issues of conflict of interest for Fellows and Trustees should the College wish to take an active part in USS consultations regarding the scheme.

The most recent actuarial review of the CCFPS was as at 30 June 2020. The College's overall benefit funding liability has decreased to £1,908,830 (2020: £2,402,472).

### **COVID-19**

The Novel Coronavirus (COVID-19) pandemic continued throughout the year under review to have a far-reaching impact on the College community and the Higher Education section in general. The arrangements put in place in March 2020, under which teaching, welfare support and examinations were delivered online largely remained in place for the 2020-21 academic year. The College housed and provided catering and other support from October 2020 to those students in residence in Cambridge and levels of occupancy in College accommodation, arranged into self-contained 'households' for Covid safety, remained reasonably high.

The Collegiate University, under the guidance of the COVID-19 Gold Team sought to maintain a consistent and co-ordinated response to the issues presented by the pandemic, by drawing on existing structures such as the Office for Intercollegiate Services and committees including representatives from all Colleges wide range of matters including teaching, assessment, graduation, admissions, buildings, accommodation and catering provision were dealt with through these channels. Central funds provided financial assistance to students experiencing hardship for example because of unexpected costs. The work done in the previous year by the recovery taskforce with representatives from the University and the Colleges, was carried forward with the consideration of the various scenarios for the emergence from the pandemic.

The arrangements for the operation of the University during the 2020-21 academic year were put in place after extensive work on health and safety assessments, testing facilities, support for staff and a communication campaign (Stay Safe Cambridge Uni) on the behaviours expected from the entire community. The University continued to contribute to the national effort to overcome the challenges presented by the virus through its research efforts to extend knowledge of the virus and by developing significant testing capacity. The clinical school and medical Fellows across the colleges were part of the clinical care effort.

The College adapted its own procedures and practices to function effectively in the circumstances. The safety and welfare of College staff was a constant concern, particularly for those staff members whose work cannot be carried out remotely. The financial impact of the pandemic on the College was felt in some reduction in accommodation income and a significant reduction in catering income especially from the many events and activities which take place in a normal year. Investment returns remain poor against historic yields but capital values recovered from the deep lows experienced in the early stages of the pandemic.

## **Principal Risks and Uncertainties**

The main risks and uncertainties facing the College are those connected with the following matters:

- The ongoing COVID-19 global pandemic and any resurgence of it;
- The medium- and longer-term impact of the United Kingdom leaving the European Union, particularly where Brexit has affected research funding arrangements and student enrolments;
- Economic factors which might adversely affect the College's ability to provide its services to members, particularly the availability and cost of labour and supplies, and its sources of income, particularly endowment income, donations, fees and rents;
- External political and economic threats to the continuing attractiveness of the University to the diverse global academic elite, whether as applicant students or as faculty;
- The impact of climate change generally including the College's need to undertake major and expensive decarbonisation work,
- Increasing societal concerns regarding student mental health and well-being where the College must ensure that its pastoral functions adapt and remain effective;
- The need to minimise reputational risk through high standards and appropriate policies in areas in which the College might be the focus of activism or media attention;
- The escalating costs of providing and maintaining buildings and accommodation which are of suitable quality and in the best locations to meet the needs of students.

The College reviews risks generally at an institutional level and at an operational level. Major risks to which the College is or may be exposed from time to time are reviewed regularly by all College committees within their terms of reference, and reported to College Council and Governing Body. A risk register is maintained to monitor, mitigate or remove major risks as they are identified. Operational risks are reviewed at a departmental level and appropriate procedures put in place to monitor and control such risks. In relation to the associated specific risks the College maintains in place its COVID-19 working group (comprising Bursar, Dean, Second Bursar, and Head Porter) and this group has met twice weekly during the year and reports regularly to College Council. The group act as a conduit for advice and support emanating centrally in the collegiate University and consider the measures required in College and the communications required to keep College members and staff duly informed.

## **Plans for the future**

Over the last 18 months the College has focused on supporting students through a global pandemic with a particular focus on financial support, pastoral care and providing safe spaces for academic study and relaxation. Alongside this, the College has continued to explore how best to grow and diversify its accommodation offer to students and post-doctoral fellows, expand and improve communal facilities for the whole College community, and become more sustainable especially through decarbonizing the estate. A Working Group of students, Fellows and Staff has been established to draw up an equity, diversity and inclusivity development plan for the College. Darwin has worked with the wider collegiate University to learn lessons from the pandemic for the future of research and teaching, as well as considering the optimal composition of the University over the coming years.

To agree and articulate the future direction of Darwin College in pursuance of its aims and objectives, the College will develop a strategic plan over the coming year that sets out the anticipated size and shape of the College in terms of its students, Fellows and other members, the estate, staffing and financial needs to support this. Such a plan, will build on the distinctive strengths and characteristics

of the College and set out a vision and strategic priorities for the next ten years. It is anticipated that this plan will strengthen the ability of the College community to enhance its academic excellence, contribute to addressing global challenges and diversify its membership. Delivering the Strategic Plan will require further sustained fundraising and developing new partnerships.

## **GOVERNANCE**

### **Corporate Governance**

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the management of the College's resources and audit oversight.

The College is a registered charity (Registered Number 1141105) and subject to regulation by the Charity Commission for England and Wales. The College Council provides the trustees of the charity and they are responsible for ensuring compliance with charity law. The Trustees are advised in meeting those duties by a number of Committees, and internal and external professionally qualified advisers. Members of the College Council forming the Trustee Body during the year to 30 June 2021 are indicated at Page 2.

The Principal Officers of the College under Statute are the Master, Vice-Master, Dean, and Bursar, and the holders of these offices during the year are identified on Page 2. Dr M R W Rands became Master on 1 October 2020 on the retirement of Professor C M R Fowler after eight years of distinguished service. Two joint Vice-Masters continue to share the duties of the office, and of whom Professor F E Karet serves as Vice-Master for statutory purposes.

The Governing Body, comprising the Master and Fellows under Titles A, C, D, and E, holds at least six meetings a year, with the November/December meeting being the Annual Meeting.

The College Council comprises the Master, Vice-Masters, Dean, and Bursar ex-officio, and four Fellows elected by the Governing Body. The current Student Association President attends ex-officio, and two further student members are elected directly by the student body each year. The College Council meets on a regular basis throughout the year and is responsible for the everyday administration of the College in all matters not allocated by Statute to the Governing Body or the Finance Committee. The College Council makes regular reports to each meeting of the Governing Body.

The Finance (and Investments) Committee, composed of the Master, Vice-Master, and Bursar ex-officio, and three Fellows elected by the Governing Body to serve from the beginning of a given academic year, manages the College investments and, with a directly elected student representative, controls and administers the revenues and expenditures in accordance with College Statutes, Ordinances, and the Charities Act. When acting as the Investment Committee, the membership is reinforced by up to three external members, and the College's investment managers are in attendance.

It is the specified duty of the Finance Committee to keep under constant review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external auditors; to give initial consideration to reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make periodic formal Reports to the Trustees and Governing Body.

Registers of Interests in a form prescribed by the College's Conflicts of Interest Policy are maintained for the Trustees, and Related Party forms are obtained from the Trustees and Heads of College Departments as part of the annual audit. The declaration of interests is a formal agenda item at the beginning of every College meeting.

### **Statement on Internal Control**

The Trustees are responsible for ensuring a sound system of internal control that supports the achievement of policies, aims and objectives while safeguarding public and other funds and assets for which the charity holds responsibility, in accordance with College Statutes and Ordinances, and the Charities Act 2006.

The systems of internal control are designed to identify the principal risks bearing on the achievement of aims, objectives and policies, to evaluate the nature and extent of those risks, and to ameliorate and control them efficiently, effectively and economically. The systems of internal control are structured realistically to identify and control most of the risks of failure to achieve aims, objectives and policies, rather than attempt to eliminate risk entirely; it therefore provides reasonable, but not absolute, assurance of effectiveness. These processes were in place for the year ended 30 June 2021 and throughout the period to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the systems of internal control. The Trustees' continual review of the effectiveness of the systems is informed by the work of the various Committees, the Bursar, and the College Officers who hold responsibility for the development and application of an internal control framework and for the investigation and resolution of any comments raised by the external auditors in their post audit and other reports.

### **General Responsibilities of the Trustees**

The Trustees are responsible for the preparation of the Annual Report and financial statements in accordance with applicable law and having regard to United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The College Statutes and Ordinances, and those 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 Trustees are required to:

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

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

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**Approved by the Trustees on 17 November 2021**

A handwritten signature in black ink, appearing to read 'J T Dix', written in a cursive style.

**J T Dix**  
**Bursar**

## **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF DARWIN COLLEGE**

### **Opinion**

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

In our opinion, the financial statements:

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

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

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

We have nothing to report in this regard.

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

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

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

### **Matters on which we are required to report by exception**

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

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 trustees**

As explained more fully in the responsibilities of the trustees' statement set out on page 11, the trustees 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 trustees 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 trustees are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when

it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and

- reviewing correspondence with relevant regulators and the College's legal advisors.

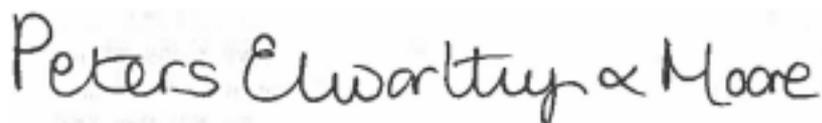
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://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 trustees 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 trustees 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 trustees 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: 10 December 2021

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

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

### Basis of preparation

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate 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

The financial statements have been prepared on a going concern basis. The College has prepared forecasts beyond the 30 June 2021 year-end up to financial year end 2023 using three difference scenarios as part of a wider collegiate University financial planning exercise. The College has also set a detailed budget plan for the financial year 2020-21. This financial planning work has included an analysis of the College's unrestricted liquid resources, and together these financial plans demonstrate that the College has sufficient resources to meet liabilities as they fall due. The Trustees consider preparation of these financial statements using a going concern basis to be appropriate.

### 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. The costs of any fees waived or written off by the College are included as expenditure.

#### *Restricted 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.

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

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

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

*Investment income and change in value of investment assets*

Investment income and change in value of investment assets are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

*Other income*

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

*Cambridge Bursary Scheme*

In 2020-21, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £2,800 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£2,800
Expenditure	£5,600

## **Tangible fixed assets**

### *Land and buildings*

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to 1 July 2014, the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of between 50 and 100 years.

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

### *Furniture, Fittings and Equipment*

Furniture, fittings and equipment in excess of £5,000 are capitalised and depreciated over their estimated useful lives.

### *Leased assets*

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.

## **Investments**

Fixed asset investments are included in the balance sheet at fair value. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

## **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 and Expenditure.

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 and Expenditure. 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.

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

### **Taxation**

The College is a registered charity (number 1141105) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

### **Contribution under Statute G, II**

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

### **Pension costs**

#### *Universities Superannuation Scheme (USS)*

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions'

employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the 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 income and expenditure account.

#### *Cambridge Colleges Federated Pension Scheme (CCFPS)*

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' 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 judgements**

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

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

*Income recognition*

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

*Useful lives of property, plant and equipment*

Property plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

*Retirement benefit obligations*

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 24.

FRS 102 makes the distinction between a group pension plan and a multi-employer pension scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in income and expenditure in accordance with section 28 of FRS 102. The Trustees are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

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**STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**

	Note	2021				2020			
		Unre- stricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
<b>Income</b>									
Academic fees & charges	1	2,255,887	-	-	2,255,887	2,110,342	-	-	2,110,342
Residences & catering	2	2,182,247	-	-	2,182,247	2,481,419	-	-	2,481,419
Investment Income	3	618,246	159,465	-	777,711	826,134	214,150	-	1,040,284
Other income (Coronavirus Job Retention Scheme)		114,994	-	-	114,994	81,246	-	-	81,246
Total income before donations & endowments		5,171,374	159,465	-	5,330,839	5,499,141	214,150	-	5,713,291
Donations		322,681	1,506,892	-	1,829,573	644,128	189,417	-	833,545
New endowments		-	-	-	-	-	-	-	-
Capital grant from Colleges Fund		-	-	182,000	182,000	-	-	226,000	226,000
Other capital grants for assets		-	1,149	-	1,149	-	74,225	-	74,225
Total income		5,494,055	1,667,506	182,000	7,343,561	6,143,269	477,792	226,000	6,847,061
<b>Expenditure</b>									
Education	4	2,113,365	268,269	-	2,381,634	1,941,018	279,314	-	2,220,332
Residences & catering	5	2,833,091	-	-	2,833,091	2,804,643	-	-	2,804,643
Other expenditure		596,133	-	-	596,133	678,090	-	-	678,090
Total Expenditure		5,542,589	268,269	-	5,810,858	5,423,751	279,314	-	5,703,065
<b>Surplus/(Deficit) before other gains and losses</b>		(48,534)	1,399,237	182,000	1,532,703	719,518	198,478	226,000	1,143,996
Gains/(Losses) on disposal of fixed assets		-	-	-	-	-	-	-	-
Gains/(Losses) on investments		1,007,194	535,501	2,441,258	3,983,953	(835,255)	(60,078)	(636,384)	(1,531,717)
<b>Surplus/(Deficit) for the year</b>		958,660	1,934,738	2,623,258	5,516,656	(115,737)	138,400	(410,384)	(387,721)
<b>Other comprehensive income</b>									
Actuarial gain/(loss) in respect of pension schemes		671,721	-	-	671,721	(372,465)	-	-	(372,465)
<b>Total comprehensive income for the year</b>		1,630,381	1,934,738	2,623,258	6,188,377	(488,202)	138,400	(410,384)	(760,186)

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**STATEMENT OF CHANGES IN RESERVES**

	<b>Income and Expenditure reserve</b>			
	Unrestricted	Restricted	Endowment	<b>Total</b>
	£	£	£	£
<b>Balance at 1 July 2020</b>	47,343,393	3,286,944	23,034,011	73,664,348
Surplus/(Deficit) from income and expenditure statement	958,660	1,934,738	2,623,258	5,516,656
Other comprehensive income	671,721	-	-	671,721
Release of restricted capital funds spent in year	20,627	(20,627)	-	-
<b>Balance at 30 June 2021</b>	<b>48,994,401</b>	<b>5,201,055</b>	<b>25,657,269</b>	<b>79,852,725</b>

	<b>Income and Expenditure reserve</b>			
	Unrestricted	Restricted	Endowment	<b>Total</b>
	£	£	£	£
<b>Balance at 1 July 2019</b>	47,756,848	3,223,291	23,444,395	74,424,534
Surplus/(Deficit) from income and expenditure statement	(115,737)	138,400	(410,384)	(387,721)
Other comprehensive income	(372,465)	-	-	(372,465)
Release of restricted capital funds spent in year	74,747	(74,747)	-	-
<b>Balance at 30 June 2020</b>	<b>47,343,393</b>	<b>3,286,944</b>	<b>23,034,011</b>	<b>73,664,348</b>

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**BALANCE SHEET AS AT 30 JUNE 2021**

	Note	2021 £	2020 £
<b>Fixed Assets</b>			
Tangible Assets	8	42,253,279	42,695,986
Investment Assets	9	43,114,379	39,503,118
		<u>85,367,658</u>	<u>82,199,104</u>
<b>Current Assets</b>			
Stock	10	44,870	42,530
Debtors	11	856,854	615,580
Cash	12	9,805,192	7,553,784
		<u>10,706,916</u>	<u>8,211,894</u>
<b>Creditors</b>	13	<u>1,166,615</u>	<u>1,203,142</u>
<b>Net Current Assets/(Liabilities)</b>		<u>9,540,301</u>	<u>7,008,752</u>
<b>Creditors: more than one year</b>	14	(13,000,000)	(13,000,000)
<b>Provisions</b>			
Pension provision	15	(2,055,234)	(2,543,508)
<b>Net Assets</b>		<u><u>79,852,725</u></u>	<u><u>73,664,348</u></u>
<b>Restricted Reserves</b>			
Income and expenditure reserve - endowment reserve	16	25,657,269	23,034,011
Income and expenditure reserve - restricted reserve	17	5,201,055	3,286,944
		<u>30,858,324</u>	<u>26,320,955</u>
<b>Unrestricted Reserves</b>			
Income and expenditure reserve - unrestricted		48,994,401	47,343,393
		<u>48,994,401</u>	<u>47,343,393</u>
<b>Total Reserves</b>		<u><u>79,852,725</u></u>	<u><u>73,664,348</u></u>

These accounts were approved by the Trustees on 17 November 2021 and are signed on their behalf by:



.....  
Dr M Rands, Master

DARWIN COLLEGE  
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**CASH FLOW STATEMENT**

	Note	2021 £	2020 £
Net cash inflow from operating activities	18	1,070,084	1,117,394
Cash flows from investing activities	19	786,102	4,981,900
Cash flows from financing activities	20	395,222	395,759
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		<u>2,251,408</u>	<u>6,495,053</u>
Cash and cash equivalents at beginning of the year		7,553,784	1,058,731
<b>Cash and cash equivalents at end of the year</b>	12	<u>9,805,192</u>	<u>7,553,784</u>

**NOTES TO THE ACCOUNTS**

<b>1 Academic fees and charges</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Colleges fees:		
Fee income received at the Regulated undergraduate rate	24,920	15,552
Fee income received at the Unregulated rate	30,000	33,750
Fee income received at the Graduate fee rate	2,199,409	2,056,945
Other income	1,558	4,095
<b>Total</b>	<b>2,255,887</b>	<b>2,110,342</b>
<b>2 Income from Accommodation and Catering</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accommodation College members	2,019,749	2,092,961
Catering College members	162,498	388,458
<b>Total</b>	<b>2,182,247</b>	<b>2,481,419</b>
<b>3 Endowment return and investment income</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Income from:		
Land and buildings	79,489	72,165
Quoted securities	671,882	963,949
Other interest receivable	26,340	4,170
<b>Total</b>	<b>777,711</b>	<b>1,040,284</b>
<b>4 Education expenditure</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Teaching	125,736	111,951
Tutorial	402,682	355,219
Admissions	559,018	507,379
Research	664,533	360,083
Scholarships and awards	278,796	268,314
Other educational facilities	350,869	617,386
<b>Total (Note 6)</b>	<b>2,381,634</b>	<b>2,220,332</b>

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<b>5 Accommodation and Catering Expenditure</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accommodation College members	2,030,992	1,863,386
Catering College members	802,099	941,257
<b>Total (Note 6)</b>	<b>2,833,091</b>	<b>2,804,643</b>

**6a Analysis of 2020/2021 expenditure by activity**

	<b>Staff costs (note 7)</b>	<b>Other operating expenses</b>	<b>Depreciation</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Education	1,230,613	908,919	242,102	2,381,634
Accommodation and catering	1,139,291	1,128,895	564,905	2,833,091
Other	76,630	519,503	-	596,133
<b>Total</b>	<b>2,446,534</b>	<b>2,557,317</b>	<b>807,007</b>	<b>5,810,858</b>

Expenditure includes fundraising costs of £235,174. This expenditure includes the costs of alumni relations.

**6b Analysis of 2019/2020 expenditure by activity**

	<b>Staff costs (note 7)</b>	<b>Other operating expenses</b>	<b>Depreciation</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Education	1,139,612	882,773	197,947	2,220,332
Accommodation and catering	1,155,208	1,187,558	461,877	2,804,643
Other	67,208	610,882	-	678,090
<b>Total</b>	<b>2,362,028</b>	<b>2,681,213</b>	<b>659,824</b>	<b>5,703,065</b>

Expenditure includes fundraising costs of £227,772. This expenditure includes the costs of alumni relations.

<b>6c Auditors' remuneration</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other operating expenses include:		
Audit fees payable to the College's external auditors	20,538	19,290
Other fees payable to the College's external auditors	2,100	-

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**7a Staff costs**

	<b>Academic</b>	<b>Non- Academic</b>	<b>2021 Total</b>	<b>2020 Total</b>
	£	£	£	£
<b>Staff costs:</b>				
Salaries	451,512	1,343,942	1,795,454	1,817,614
National Insurance	35,641	100,826	136,467	137,951
Pension costs	76,888	437,725	514,613	406,463
	<u>564,041</u>	<u>1,882,493</u>	<u>2,446,534</u>	<u>2,362,028</u>
	<b>Number of Fellows</b>	<b>Full-time equivalents</b>	<b>Number of Fellows</b>	<b>Full-time equivalents</b>
Academic	29		29	
Non-academic		51		48
<b>Total</b>	<u>29</u>	<u>51</u>	<u>29</u>	<u>48</u>

At the Balance Sheet date the Governing Body comprised of 70 Fellows, of which 9 served as Trustees on College Council. During the year the average number of Fellows receiving remuneration was 29 as shown above. The Trustees received no remuneration in their capacity as Trustees of the Charity.

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

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

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.

**7b Key Management Personnel**

	<b>2021 £</b>	<b>2020 £</b>
Aggregated remuneration of key management personnel	235,356	220,354

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

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**8 Fixed assets**

**Tangible fixed assets**

	Land	College Buildings	Assets Under Construction	Fixtures, Fittings & Equipment	Motor Vehicles	2021 Total	2020 Total
	£	£	£	£	£	£	£
<b>Cost or valuation</b>							
At beginning of year	21,108,421	17,492,563	7,736,395	36,788	10,524	46,384,691	44,870,775
Transfer from assets under construction		5,298,102	(5,298,102)			-	-
Additions at cost	-	25,047	339,253	-	-	364,300	1,538,765
Disposal at cost	-	-	-	-	-	-	(24,849)
At end of year	<u>21,108,421</u>	<u>22,815,712</u>	<u>2,777,546</u>	<u>36,788</u>	<u>10,524</u>	<u>46,748,991</u>	<u>46,384,691</u>
<b>Depreciation</b>							
At beginning of year	-	3,653,627	-	28,786	6,292	3,688,705	3,028,881
Charge for the year	-	800,901	-	4,001	2,105	807,007	659,824
Written back on disposal	-	-	-	-	-	-	-
At end of year	<u>-</u>	<u>4,454,528</u>	<u>-</u>	<u>32,787</u>	<u>8,397</u>	<u>4,495,712</u>	<u>3,688,705</u>
<b>Net book value</b>							
At end of year	<u>21,108,421</u>	<u>18,361,184</u>	<u>2,777,546</u>	<u>4,001</u>	<u>2,127</u>	<u>42,253,279</u>	<u>42,695,986</u>
At beginning of year	<u>21,108,421</u>	<u>13,838,936</u>	<u>7,736,395</u>	<u>8,002</u>	<u>4,232</u>	<u>42,695,986</u>	<u>41,841,894</u>

The insured value of freehold buildings as at 30 June 2021 was £39,821,237 (2020: £34,482,726).

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**9 Investments**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Balance at beginning of year</b>	39,503,118	46,490,366
Additions	9,452,124	11,386,546
Disposals	(9,519,001)	(22,875,338)
Gain/(Loss)	3,301,924	(186,010)
Increase/(Decrease) in cash balances held at fund managers	376,214	4,687,554
<b>Balance at end of year</b>	<u>43,114,379</u>	<u>39,503,118</u>

**Represented by:**

Property	2,530,000	2,850,142
Quoted securities - equities	27,459,587	24,130,606
Fixed interest securities	2,698,154	2,568,822
Cash in hand at investment managers	6,533,967	6,158,580
Other	3,892,671	3,794,968
	<u>43,114,379</u>	<u>39,503,118</u>

**10 Stocks**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Goods for resale	44,870	42,530

**11 Trade and other receivables**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Members of the College	302,867	363,280
University fees	-	-
Other receivables	2,079	26,805
Prepayments and accrued income	551,908	225,495
	<u>856,854</u>	<u>615,580</u>

**12 Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Short-term money market investments	4,017,223	2,000,233
Bank deposits	5,789,615	5,551,789
Current accounts	(4,161)	(551)
Cash in hand	2,515	2,313
	<u>9,805,192</u>	<u>7,553,784</u>

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**13 Creditors: amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	292,238	235,435
Members of the College	266,203	194,716
University fees	235,522	419,476
Other creditors	43,961	35,066
Accruals and deferred income	328,691	318,449
	<u>1,166,615</u>	<u>1,203,142</u>

**14 Creditors: amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Private Placement	13,000,000	13,000,000

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £3 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.

During 2017-18, the College borrowed from institutional investors, collectively with two other Colleges, the College's share being £10 million. The loans are unsecured and repayable during 2058, and are at fixed interest rates of approximately 2.62%. 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.

**15 Pension provisions**

	<b>CCFPS</b>	<b>USS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>Total</b>	<b>Total</b>
			<b>£</b>	<b>£</b>
<b>Balance at beginning of year</b>	2,402,472	141,036	2,543,508	2,101,720
Movement in year:				
Current service cost including life assurance	450,713	79,583	530,296	420,879
Contributions	(272,634)	(74,215)	(346,849)	(351,556)
Other finance (income)/cost				
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(671,721)	-	(671,721)	372,465
<b>Balance at end of year</b>	<u>1,908,830</u>	<u>146,404</u>	<u>2,055,234</u>	<u>2,543,508</u>

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16 Endowment funds

	Restricted permanent endowments	Unrestricted permanent endowments	2021 Total	2020 Total
	£	£	£	£
<b>Balance at beginning of year:</b>				
Capital	4,555,698	18,478,313	23,034,011	23,444,395
New donations and endowments	-	182,000	182,000	226,000
Increase/(Decrease) in market value of investments	558,418	1,882,840	2,441,258	(636,384)
Transfer of funds	-	-	-	-
<b>Balance at end of year</b>	<u>5,114,116</u>	<u>20,543,153</u>	<u>25,657,269</u>	<u>23,034,011</u>
<b>Analysis by type of purpose</b>				
Fellowship Funds	2,958,351	-	2,958,351	2,635,325
Scholarship and Studentship Funds	1,176,791	-	1,176,791	1,048,295
Bursary Funds	681,250	-	681,250	606,863
Travel Grant Funds	269,816	-	269,816	240,354
Other Funds	27,908	-	27,908	24,861
General endowments	-	20,543,153	20,543,153	18,478,313
	<u>5,114,116</u>	<u>20,543,153</u>	<u>25,657,269</u>	<u>23,034,011</u>
<b>Analysis by asset</b>				
Property			2,530,000	2,850,142
Investments			23,127,269	20,183,869
Cash			-	-
			<u>25,657,269</u>	<u>23,034,011</u>

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**17 Restricted Reserves**

Reserves with restrictions are as follows:

	Capital grants unspent	Permanent unspent & other restricted income	Restricted expendable endowment	2021 Total	2020 Total
	£	£	£	£	£
<b>Balance at beginning of year:</b>	19,478	2,911,481	355,985	3,286,944	3,223,291
New grants	-	-	-	-	-
New donations	1,149	16,742	1,490,149	1,508,040	263,642
Endowment return transferred	-	-	-	-	-
Other investment income	-	150,455	9,010	159,465	214,150
Increase/(Decrease) in market value of investments	-	298,966	236,535	535,501	(60,078)
Expenditure	-	(209,248)	(59,020)	(268,268)	(279,314)
Capital grants utilised	(20,627)	-	-	(20,627)	(74,747)
Transfer to unrestricted	-	(44,345)	44,345	-	-
<b>Balance at end of year</b>	<b>-</b>	<b>3,124,051</b>	<b>2,077,004</b>	<b>5,201,055</b>	<b>3,286,944</b>

**Analysis of other restricted funds/donations by type of purpose**

Fellowship Funds	-	1,303,529	45,188	1,348,717	1,262,225
Scholarship and Studentship Funds	-	1,217,035	2,031,816	3,248,851	1,461,231
Bursary Funds	-	558,751	-	558,751	505,277
Travel Grant Funds	-	30,589	-	30,589	24,968
Other Funds	-	14,147	-	14,147	13,765
General	-	-	-	-	19,478
	-	3,124,051	2,077,004	5,201,055	3,286,944

**Analysis by asset**

Property	-	-	-	-	-
Investments	-	-	-	4,663,898	2,742,620
Cash	-	-	-	537,157	544,324
	-	-	-	5,201,055	3,286,944

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Surplus/(Deficit) for the year	6,188,377	(760,186)
<b>Adjustment for non-cash items</b>		
Depreciation	807,007	659,824
Investment management costs	-	-
(Gain)/loss on endowments and investment property	(3,983,953)	1,531,717
(Increase)/Decrease in stocks	(2,340)	6,726
(Increase)/Decrease in trade and other receivables	(241,274)	322,590
Increase/(Decrease) in creditors	(36,526)	350,978
Pension costs less contributions payable	(488,274)	441,788
<b>Adjustment for investing or financing activities</b>		
Investment income	(777,711)	(1,040,284)
Interest payable	(395,222)	(395,759)
Loan fees paid	-	-
<b>Net cash inflow from operating activities</b>	<u>1,070,084</u>	<u>1,117,394</u>

**19 Cash flows from investing activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Non-current investment disposal	10,201,029	21,554,480
Investment income	777,711	1,040,284
Endowment funds invested	(9,452,124)	(11,386,546)
(Increase)/Decrease in cash balances held at fund managers	(376,214)	(4,687,554)
Payments made to acquire non-current fixed assets	(364,300)	(1,538,764)
<b>Total cash flows from investing activities</b>	<u>786,102</u>	<u>4,981,900</u>

**20 Cash flows from financing activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest paid	395,222	395,759
New loan	-	-
New loan fees paid	-	-
<b>Total cash flows from financing activities</b>	<u>395,222</u>	<u>395,759</u>

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**21 Consolidated reconciliation and analysis of net debt**

	At 1 July 2020	Cash flows	At 30 June 2021
	£	£	£
<b>Cash and cash equivalents</b>	7,553,784	2,251,408	9,805,192
<b>Borrowings - amounts due within one year</b>	-	-	-
<b>Borrowings - amounts due after more than one year</b>			
Unsecured loans	13,000,000	-	13,000,000
<b>Net total</b>	<u>(5,446,216)</u>	<u>2,251,408</u>	<u>(3,194,808)</u>

See note 14 for further details of the £13m unsecured debt, raised by private placements, at fixed interest-rates and repayable 2043 - 2058.

**22 Financial Instruments**

	2021	2020
	£	£
<b>Financial Assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments	34,040,411	30,484,395
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments	10,001	10,001
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	9,805,192	7,553,784
Cash in hand at investment managers	6,533,967	6,158,580
Other debtors	856,854	615,580
<b>Financial Liabilities</b>		
<i>Financial liabilities measured at amortised cost</i>		
Loans	13,000,000	13,000,000
Trade creditors	292,238	235,435
Other creditors	874,377	967,707

The fair values of the assets and liabilities held at fair value through profit and loss at the balance sheet date are determined using quoted prices.

**23 Lease obligations**

	2021	2020
	£	£
At 30 June 2021 the College had annual commitments under non-cancellable operating leases as follows:		
Land and buildings:		
Expiring within one year	174,531	168,906
Expiring between two and five years	752,271	189,115
Expiring in over five years	202,382	-

## 24 Pensions

The College participates in two defined benefit schemes, the Universities' Superannuation Scheme (USS) and the Cambridge Colleges' Federated Pensions Scheme (CCFPS). The assets of the schemes are held in separate trustee-administered funds. The total pension cost for the 12 months to 30 June 2021 was £267,234 (2020: £272,415).

### 24a Universities' Superannuation Scheme

The total cost charged to the profit and loss account is £74,215 (2020: £66,329).

Deficit recovery contributions due within one year for the institution are £39,543 (2020: £22,687).

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. The previous complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (the valuation date), and was carried out using the projected unit method.

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

The 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%

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

#### 2018 valuation

Mortality base table	<u>Pre-retirement:</u>
	71% of AMCO0 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	<u>Post retirement:</u>

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97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.

**Note 24a (USS) cont.**

Future improvements to mortality CMI\_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

<b>Life expectancy on retirement</b>	<b>2021</b>	<b>2020</b>
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 required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate increased to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	<b>2021</b>	<b>2020</b>
Discount rate	0.87%	0.73%
Pensionable salary growth	n/a	n/a

**24b Cambridge Colleges' Federated Pension Scheme**

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

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

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

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

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI\_2020 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI\_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

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

**Note 24b (CCFPS) cont.**

- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.7 years (previously 25.6 years).

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

	Male	Female
Active Members – Option 1 Benefits	64	634
Deferred Members – Option 1 Benefits	63	62

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

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

	2021	2020
	£	£
Present value of plan liabilities	(6,932,120)	(6,782,990)
Market value of plan assets	5,023,290	4,380,518
<b>Net defined benefit asset/(liability)</b>	<u>(1,908,830)</u>	<u>(2,402,472)</u>

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows.

	2021	2020
	£	£
Current service cost	401,829	351,852
Administrative costs	13,773	13,773
Interest on net defined benefit (asset)/liability	35,111	43,334
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-
<b>Total</b>	<u>450,713</u>	<u>408,959</u>

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
	£	£
<b>Present value of plan liabilities at beginning of period</b>	6,782,990	5,871,205
Current service cost	401,829	351,852
Employee contributions	28,706	25,374
Benefits paid	16,218	(212,945)
Interest on plan liabilities	101,521	133,943
Actuarial (gains)/losses	(399,144)	613,561
(Gain)/Loss on plan changes	-	-
Curtailment (gain)/loss	-	-

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<b>Present value of plan liabilities at end of period</b>	<u>6,932,120</u>	<u>6,782,990</u>
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**Note 24b (CCFPS) cont.**

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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Market value of plan assets at beginning of period</b>	4,380,518	3,964,930
Contributions paid by the College	272,634	285,227
Employee contributions	28,706	25,374
Benefits paid	16,218	(212,945)
Administrative expenses paid	(18,865)	(18,512)
Interest on plan assets	66,410	90,609
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	277,669	245,835
<b>Market value of plan assets at end of period</b>	<u>5,023,290</u>	<u>4,380,518</u>
Actual return on plan assets	344,079	336,444

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:

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

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

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Return on assets, less interest included in the Statement of Comprehensive Income and Expenditure	277,669	245,835
Expected less actual plan expenses	(5,092)	(4,739)
Experience gains and losses arising on plan liabilities	302,410	6,985
Changes in assumptions underlying the present value of plan liabilities	96,734	(620,546)
<b>Remeasurement of net defined benefit liability recognised in OCI</b>	<u>671,721</u>	<u>(372,465)</u>

**Note 24b (CCFPS) cont.**

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:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Net defined benefit asset/(liability) at beginning of year</b>	(2,402,472)	(1,906,275)
Recognised in the Statement of Comprehensive Income and Expenditure	(450,713)	(408,959)
Contributions paid by the College	272,634	285,227
Remeasurement of net defined benefit liability recognised in OCI	671,721	(372,465)
<b>Net defined benefit asset/(liability) at end of year</b>	<u>(1,908,830)</u>	<u>(2,402,472)</u>

Funding Policy

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

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

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

- Annual contributions of not less than £35,653 p.a. payable for the period from 1 July 2018 to 30 June 2021.
- Annual contributions of not less than £64,837 per annum payable for the period from 1 July 2021 to 31 March 2030.

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

**25 Related Party Transactions**

Owing to the nature of the College's operations and the composition of its Trustees, it is possible that transactions will take place with organisations in which a Trustee may have an interest. All transactions involving organisations in which a Trustee 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 Trustees and where any Trustee 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 a Remuneration Sub-Committee of

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the College's Finance Committee, whose membership comprises independent external members, Fellows who are not Trustees, and the Bursar.

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

From:	To:	Number of Fellows	
		2021	2020
£0	£10,000	6	6
£10,001	£20,000	-	-
£20,001	£30,000	-	-
£30,001	£40,000	-	1
£40,001	£50,000	1	1
£50,001	£60,000	1	-
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	1	1
	<b>Total</b>	<u>9</u>	<u>9</u>

The total Trustee salaries were £187,134 for the year (2019: £174,502)

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £55,592 for the year (2020: £52,013)

## 26 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 £264,944 in the provision for the obligation to fund the deficit on the USS pension which would instead be £411,348. 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 £510,961 in the provision for the obligation to fund the deficit on the USS pension which would instead be £656,965.