

**The President and Fellows of Murray Edwards College, founded as
New Hall, in the University of Cambridge**

Annual Report and Financial Statements

Year Ended 30 June 2021

Charity Registration number 1137530



**Murray Edwards
College**
University of Cambridge

**MURRAY EDWARDS COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
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Administrative Details

Address

Murray Edwards College, New Hall, Huntingdon Road, Cambridge, CB3 0DF

Charity registration number

1137530

Senior officers

President	Ms Dorothy Byrne (from 1 st September 2021) Dame Barbara Stocking DBE (to 31 st August 2021)
Vice-President	Dr Rachel Polonsky
Bursar	Mr Robert Hopwood
Senior Tutor	Dr Michele Gemelos

Senior management

Dame Barbara Stocking concluded her term as President on 31 August 2021. Ms Dorothy Byrne was elected President of the College and took up office on 1 September 2021.

Principal advisors

Auditors (external)	Critchleys Audit LLP	Beaver House, 23-28 Hythe Bridge Street, Oxford, OX1 2EP
Bankers	Barclays Bank PLC	Mortlock House Histon Cambridge CB24 9DE
Investment Managers	CCLA Investment Management Limited Cambridge University Endowment Fund	Senator House, 85 Queen Victoria Street, London, EC4V 4ET 30 Station Road, Cambridge CB1 2RE
Legal Advisers	Mills & Reeve Taylor Vinters	Botanic House 100 Hills Road Cambridge CB2 1PH Merlin Place Milton Road Cambridge CB4 0DP

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Trustees of the charity – Council members

President: Ms Dorothy Byrne (from 1st September 2021)

Vice-President: Dr Rachel Polonsky

Bursar: Mr Robert Hopwood

Senior Tutor: Dr Michele Gemelos

Dr S Haines (appointed 01.10.20)

Dr C Lee (reappointed 01.10.21)

Dr J Bavidge

Ms F Duffy

Dr P Filippucci (reappointed 01.10.20)

Dr R Less

Dr E Pesaran

Dr A Piotrowski

Dr R Leow (appointed 01.10.21)

Ms D Ilkye (appointed 16.06.21)

Ms M Sachdeva-Mason (appointed 10.05.21)

Other Trustees during the financial year were:

President: Dame Barbara Stocking DBE (to 31st August 2021)

Dr H Krieger (retired 30.09.20)

Dr C Lee (retired 30.09.20)

Dr O Murray (retired 30.05.21)

Dr G Maguire (retired 30.09.21)

Dr K Peters (reappointed 01.10.20, retired 30.09.21)

Ms A Denduluri-Marathi (retired 28.09.20)

Ms F Watson (retired 09.05.21)

Ms S Harbour (appointed 28.09.20, retired 15.06.21)

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Operating and Financial Review

Introduction

The College was founded on 11 March 1954 as an unincorporated association to promote a third foundation for women in the University of Cambridge. It was incorporated as New Hall, Cambridge, a company limited by guarantee, on 20 April 1954. On 3 November 1965, the University granted recognition to New Hall as an approved foundation within the University. A royal charter of incorporation in the name of “The President and Fellows of New Hall in the University of Cambridge” was granted on 28 June 1972. College Statutes provide for the constitution and government of the College including the membership and responsibilities of the Governing Body and the College Council. The College’s governance is covered further in the section on corporate governance (see page 18 et seq.)

In June 2008 the College announced a donation of £30m from Ros Smith (New Hall 1981) and her husband Steve Edwards. The donation was made with the purpose of permanently endowing the College to enable it to pursue its objects of learning, education and research as an independent institution within the University of Cambridge. The income from this transformational endowment also enhanced specific areas including widening access and participation, supporting early career stage academics, improving conditions for College teaching officers, employing a full-time schools’ liaison officer and initiating the Gateway Programme of study skills and professional development for students.

On 14th June 2011 a Supplemental Charter was granted by HM the Queen, changing of the name to “The President and Fellows of Murray Edwards College, founded as New Hall, in the University of Cambridge”. The name honours in perpetuity both the first President, Dame Rosemary Murray, and the Edwards family.

Aims and objectives of the College

The principal objects of the College, as set out in its charter, are to advance education, learning and research in the University of Cambridge. It is committed to the highest standards of education for women from all backgrounds.

Murray Edwards College is a College within the University of Cambridge. It fulfils its objectives by selecting and admitting undergraduate students for University courses, and accepting postgraduates admitted by the University. It provides, with the University, an education of the highest quality, through small group teaching, academic supervision, and the provision of library, computing and cultural facilities, living accommodation, and support for students in personal or financial need. The College provides rooms for Fellows’ teaching and research and also funds facilities for Research Fellows to help them establish themselves in the academic world through post-doctoral research. Measures of success include the high ranking of Cambridge University in the world, and the very low drop-out rate compared with students in other universities.

In the interest of its objectives, the College maintains and manages an endowment of assets, including a property. Governance arrangements for the College are set out on page 16.

As at 30 June 2021, the College comprised the President, 62 Governing Body Fellows, 21 Bye-Fellows, 362 undergraduate students and 35 clinical medical and veterinary students in respect of

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whom undergraduate fees were received, 235 registered postgraduate students and 87 full time equivalent permanent non-academic staff.

Strategic direction

The College's agreed strategic direction for the period 2018-2022 and the aims, which build on the objectives established in 2014, are:

- To attract the most academically outstanding young women from all backgrounds to study at Murray Edwards College;
- To be a centre of educational excellence where every student is able to achieve their full potential;
- To support and encourage undergraduate and graduate students to develop the confidence and tools to achieve their individual aspirations;
- To continue to build a stimulating intellectual and research environment for Fellows, students and staff as well as a warm, open culture that allows everyone to achieve their best;
- To continue to develop our alumnae as a mutually supportive community of women with an active and lively connection to the College;
- To make Murray Edwards College better known and understood; and
- To secure the College's financial ability to deliver these objectives.

Public benefit

The Trustees have regard to the Charity Commission's guidance on public benefit when exercising powers and duties to which the guidance is relevant. The Trustees are assisted in this duty by receiving specific briefing on the relevant guidance.

The strategic direction of the College is to provide excellence in the education of outstanding women from all backgrounds. It provides opportunities for these young women to develop the skills and confidence to lead the way in the world, to be independent minded, and to take on the challenges they will meet in life and achieve their ambitions. This is done through core teaching and also through the Gateway Programme for personal development, which is available to both postgraduate and undergraduate students. The College aims to provide both a vibrant intellectual environment for Fellows, students and staff. It also aims to be an open and friendly community, maintaining many of the traditions of a Cambridge College while being at the forefront of innovation. The focus is on meeting the needs of women from all backgrounds within the wider co-educational environment of Cambridge University.

In aiming to provide a world-class education to the students with the most potential in each subject, whatever their means or social background, the College seeks to attract the best applicants from the widest range of schools and colleges. In doing this, the College aims to help achieve the Government's aspiration for a greater number of places being taken up by students from the state sector. To this end, the College undertakes an extensive programme of outreach, including school visits as described in the "Widening Access" section below. That section also describes subject-specific events. The aim of these activities is to inform and encourage all academically able students to apply to Cambridge, including those who would not otherwise do so. Our entry for October 2020 comprised 74.8% (2019: 68%) from the state schools sector.

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Students of the College have access to several sources of financial assistance in particular the Cambridge Bursary and Cambridge European Bursary Schemes. In 2020-21, £255k (2019-20: £245k) was distributed to 87 (2019-20: 77) undergraduates through the Cambridge Bursary Schemes. The schemes are operated in common with the University and the other Colleges to provide bursary support for UK and EU students of limited financial means, to enable them to meet the cost of their Cambridge education. The net cost of the scheme to the College in 2020-21 was £136k (2019-20: £132k). The College also repeated and expanded a top-up bursary scheme piloted for first year undergraduates in 2018-19, which extended the reach of the Cambridge Bursary Scheme as well as enhancing funding for those already in receipt of Cambridge Bursaries. In 2019-20, the top-up bursary scheme was extended to all undergraduates, with some financial support from Trinity College. Students may also apply for other grants including hardship grants if they are in financial difficulties. In total in 2020-21 £328k (2019-20: £311k) was spent on scholarships and awards, which include support for academic excellence, research and academic need, hardship, sporting excellence, music, travel and support for the student unions. Following the onset of the global Coronavirus pandemic and national lockdown in March 2020, College did not offer its usual travel awards for the summer of 2020. In Easter Term 2021, however, the College was able to offer funding for use during the summer of 2021 via the Gateway Challenges Scheme (for enriching activities) and the Rosemary Murray Travel Awards, with the proviso that funding would not be offered to students who intended to travel to high risk areas as designated by the Foreign Office at the time of consideration.

A major benefit provided by the College is subsidised education and living costs for its students. In the year the total cost of education exceeded associated relevant income by £1,515k (2019-20: £1,889k). This represented a subsidy of at least £3,896 (2019-20: £4,881) per fee-paying undergraduate student. This subsidy is financed out of investment income, donations and contributions from conferencing business. Further substantial educational facilities are provided in the form of the Rosemary Murray Library and IT resources. The College lets its rooms to students at a lower rate than would be obtainable in the open market for equivalent accommodation and provides food at similarly subsidised rates.

The College advances research by providing Research Fellowships to outstanding academics at the early stages of their careers, which enable them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post. We were joined in 2020-21 by a Leverhulme Early Career Fellow in Latin American Studies, as well as a Research Fellow in History, and we made three Research Fellow appointments in the natural and physical sciences. In addition to this, the College supports the research work pursued by its other Fellows through promoting interactions across disciplines, providing facilities and providing grants for research costs, including attendance at national and international conferences and providing paid sabbatical leave from teaching duties.

During this year, discussions around gender equality have been expected to widen out to look at intersectionality, for example, gender and race. An LGBTQ+ Fellow was appointed. The College also appointed a Race Equality Fellow and the Race and Ethnicity Working Group focused its energies on arranging remote events around the themes of race and ethnicity, including an alumnae panel on the experience of Black female students at Cambridge over the years. September 2021 saw the 'Visible Women- Arts & Gender' conference livestreamed from the Paula Browne Lecture Theatre, with a numbers-limited in-person audience. Speakers focused on the experience of women in the arts and the developing understanding and analysis of the omission of women's creativity and leadership. It is the first conference in a planned series of five exploring the gender equality.

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Achievements and performance 2020-21

The Governing Body revised the College's medium term strategic direction in 2018 and the aims, which build on the objectives established in 2014, are:

- To attract the most academically outstanding young women from all backgrounds to study at Murray Edwards College;
- To be a centre of educational excellence where every student is able to achieve their full potential;
- To support and encourage undergraduate and graduate students to develop the confidence and tools to achieve their individual aspirations;
- To continue to build a stimulating intellectual and research environment for Fellows, students and staff as well as a warm, open culture that allows everyone to achieve their best;
- To continue to develop our alumnae as a mutually supportive community of women with an active and lively connection to the College;
- To make Murray Edwards College better known and understood; and
- To secure the College's financial ability to deliver these objectives.

The achievements and performance of the College are described in the sections below.

Academic community

The overarching mission of the College, as a self-governing institution committed to the highest standards of education for women of all backgrounds, is to advance education, learning and research in the University of Cambridge.

Key to strengthening our teaching and learning is the appointment to academic posts held jointly with Faculties or Departments of the University. To this end we were very pleased to be joined by a Royal Society Research Fellow and University Lecturer in Physics who is the College's Owen Saxton Fellow. We also welcome a University lecturer to join us as a Fellow in Sociology. We have also made a shared CTO appointment with Peterhouse College in Spanish, Dr Maya Feile Tomes, and were joined formally by our College Lecturer in Computer Sciences (Dr Luana Bulat). We also appointed a College Teaching Officer in Law (to cover sabbatical leave) and a part-time College Teaching Officer appointment in Physics.

Over the course of the Michaelmas and Lent terms, the challenges of managing the Covid-19 pandemic in the context of higher education became clear. Since June 2020 meetings of the College Officers, the GOLD team, Council and Governing Body have been guided by a key concern: the need to strike a balance between maintaining a safe environment and providing a good student experience. Over the summer, the University launched its public health campaign – *Stay Safe Cambridge Uni* -- which served as a primary resource for information on measures designed to keep everyone in the collegiate community – staff as well as students – as safe as possible. On 30 July 2020, the Senior Pro- Vice-Chancellor for Education issued a statement for students continuing their studies during 2020-21, in which he outlined that teaching would be delivered by a blend of in-person and online provision, with many lectures being delivered online, and where possible teaching by seminars, practicals and supervisions will be delivered in person. At that time the University reiterated that, as a residential institution, the expectation was that all full time students on degree-level courses should be in residence in Cambridge in 2020-21. It was acknowledged that there may

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be exceptional reasons why this would not be possible. Colleges and the University would consider a disability or a health condition which results in an individual being more susceptible to infectious diseases, or where the student is unable to travel to Cambridge, as potentially 'exceptional circumstances'.

The College offered support to students who needed to make arrangements for remote study in Michaelmas 2020. Permission to study remotely (for the reasons outlined above) could only be granted for a limited period of at most one term at a time, and the arrangements had to be kept under active review by the College and the Faculty or Department. Essential student services included the usual large-scale provision such as tutoring and academic support via Directors of Studies, but to this were added the challenge of housing additional first year students, creating households to enhance the Covid-security of the accommodation arrangements, coordinating the University's Asymptomatic Testing Programme for delivery at the College level as well as providing support to quarantining and self-isolating students.

31 October 2020 brought with it the Government's announcement of a new national lockdown. The Government asked universities to remain open and to continue to pursue in-person teaching in a safe manner, allowing students to benefit from accessing Covid-secure educational facilities. In terms of Covid transmission, community compliance with the measures imposed during the November lockdown had a visible impact. Testing results were encouraging but there were serious concerns about managing the movement of students at the end of the term for the winter holiday break. As students prepared to travel over the holiday, the University also expanded its pooled asymptomatic testing screening programme to include many students living in private accommodation.

The Minister for Universities clarified that any students still remaining at their universities could travel home for Christmas even if their home was in a Tier 4 area. Government guidance already issued permitted students to travel home once in the period 3 December to 7 February and this still applied even if the destination area was in Tier 4. Students who planned to travel outside the UK had to check if their destination country had any restrictions in place that affected their plans. As this did affect a number of our students, the College provided practical support (including welfare support) to all who had to stay in College over the holiday break due to travel disruptions and travel bans. The plan for a staggered return to universities in January 2021 was superseded by the national lockdown announced by the Government on 4 January 2021. This required the Tutorial and Operations Teams to act quickly and make preparations for a 'virtual' Lent term 2021.

The University sought to reassure students that their academic performance would be assessed fairly and that disruption brought about by the Covid-19 pandemic would be taken into account. The University explained that it would not be adopting the 'no detriment' policy that was applied in 2019-20 in assessing students' work because most of the 2019-20 results relied on summative assessments (that is, assessments which contributed to a student's overall class) from the previous year and, since these would not be available for 2020, it would not be possible to replicate this system in 2021.

On Monday 10 May 2021, the Government announced that all university students would be allowed to return to in-person teaching from Monday 17 May. Over 300 of our students were in residence by early May, in order to access study space and facilities; 37 were granted permission to study remotely and 9 on intermission. The announcement meant that in-person examination could go ahead for subjects which had planned for that mode of assessment, with online examinations

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available for those who were unable to return to Cambridge. The Tutorial Office continued to devise its operational plan for an extended exam period, taking into account the needs of students studying remotely (and across time-zones) as well as the vast majority of students in residence revising and taking their examinations in their bedrooms or within their household spaces.

In Easter Term 2021, the General Board's Education Committee (GBEC) recognised that the University needed to plan with some confidence for Michaelmas Term 2021; manage students' expectations, and meet its responsibilities under consumer law to inform offer holders of changes to advertised courses. GBEC issued a document outlining the principles for delivering education in Michaelmas Term 2021 and for AY 2021-2022, which the Senior Pro-Vice-Chancellor (Education) included in his message issued to all students on 24 June:

- Cambridge will welcome students into residence next academic year.
- The academic year will start at the normal time and term dates remain unchanged.
- Michaelmas Term will start on Tuesday 5 October and end on Friday 3 December, although some postgraduate courses may start earlier and end later than this as previously advertised.
- All full-time students will be expected to be in Cambridge for the start of the academic year, subject to the restrictions imposed or any unforeseen difficulties travelling to Cambridge. Students who are overseas and at increased susceptibility to infectious diseases who are not yet fully vaccinated and so unable to travel may request temporary permission to study remotely. International students experiencing difficulties travelling to Cambridge, for example as the result of travel bans, may request temporary permission from their College or Faculty/Department as appropriate to study remotely, and will be enabled to do so. The need to self-isolate on arrival in the UK will not be accepted as a valid reason for seeking permissions to study remotely.
- Teaching will be delivered by a blend of in-person and online teaching, with in-person teaching increasing as restrictions ease. In Michaelmas Term, large lectures will continue to be delivered online and recorded. Some staff will want to re-use lectures from last year. GBEC announced that this might be acceptable in Michaelmas Term if complemented by other modes of non-recorded teaching but GBEC will revisit policy on recorded lectures. If large-scale lecturing in person becomes permissible, the University will reintroduce it as soon as possible.
- Students will be given full access to learning facilities, including laboratories, libraries and museums, wherever possible, with appropriate safety measures in place to enable this to happen
- Full-time research students will be expected to be in Cambridge and will be given access to University facilities wherever possible.
- It is anticipated that social distancing of at least 1 metre may be necessary in University centrally-managed buildings.
- In some areas, students may be expected to wear face coverings unless they are exempt. Covid-19 tests will be provided to students on their arrival in Cambridge and appropriate testing will be arranged as required throughout the academic year. Students are being strongly encouraged to book their vaccine as soon as possible to protect themselves and others.

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Widening access and supporting academic and future careers

Throughout the year ending 30 June 2021, all outreach work has taken place online due to the COVID-19 pandemic. Events that would normally have taken place in person were replaced by a blend of pre-prepared/pre-recorded content, large-scale live webinars and smaller interactive live events. One impact of this was a significant reduction in expenditure related to events.

The College has maintained its work with schools and students, within our link areas of Greater Manchester, Derbyshire, Haringey and beyond. Sessions have been held with individual schools and with larger groups to replace the content that would normally have been covered during in-person visits to or from schools and colleges.

The 2021 Pathways to Success conference, which encourages outstanding female students to succeed academically and in their chosen career, took place online in July, at the start of next financial year.

The She Talks Science programme continues to encompass a blog, webinar series, online resources and various other events. Around 35 students participated in the webinar series and the science teachers' conference had around 20 attendees. Our STEP Summer School, which prepares female students for the STEP examination that is part of every Cambridge offer for Mathematics, was reduced in size to 20 participants because of the online format.

We held another Low Participation Neighbourhood Summer School in August 2020, interacting with 85 Year 12 and 127 Year 11 students from neighbourhoods with historically low progression to Higher Education.

Three subject-specific Taster Sessions took place in February for History, Modern and Medieval Languages and Medicine, with around 80 students participating across the three events.

The tenth year of the Gateway Programme has not been a year of celebratory events as we had planned, however we were able to continue to offer this important programme to our students throughout the year. The entire Gateway Programme was moved online using Zoom. We continued to run live interactive online sessions so that students were able to join a live College event and to encourage a feeling of community and contact with others wherever they were located when joining the sessions.

First year attendance at Gateway sessions was up by almost 50%, compared to the previous year; postgraduate attendance was up by 100% (double the number of attendances we have had in the past 2 years). Year 2+ also had an increase in attendance of 22% compared to 2019-20 and higher than in each of the past 6 years.

Over 50 different sessions and events were run during the year. A record number of around 40 alumnae were involved with the programme this year, along with a number of Fellows and others connected to the College.

An internship initiative continues to be an integral strand of the Gateway Programme offering carefully negotiated internships with a number of organisations in different sectors. 65 applications for Gateway Internships were received this year. This is almost three times the usual number. We are pleased to report that 22 internships were offered to Gateway students. Internships

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were made available to all year groups due to the lack of other opportunities available to students generally as a result of the pandemic.

Around 50 1:1 careers sessions with a small number of College alumnae and Gateway Consultants were made available during this year's programme to help students plan their careers over the next few difficult years. Around 120 students were eligible for Gateway Challenges awards this year.

We had 72 applications for Gateway Challenges Funding and made awards of up to £250 to these students. Students were asked to plan activities with a focus on staying local and thinking of creative developmental challenges closer to home than in previous years.

The College continued to run a mentoring programme for younger alumnae, supported by more experienced alumnae. This has now run for six years and significantly expanded from an original small programme to include over 70 pairs of mentors/mentees each year. The College will continue to develop and enhance this programme and provide support to alumnae through their lifelong relationship as Members.

Fundraising and development

The College Development Office aims to raise donations from benefactors, including alumnae, trusts and foundations.

The College fundraises to support projects identified as priorities by the Council in accordance with the College's Strategic Direction.

Fundraising techniques include direct mail, telephone fundraising (using live calls by students of the College), the promotion of legacy giving, and face-to-face fundraising (by private meeting with potential major donors). The College does not use external professional fundraisers or commercial participators.

The College is registered with the Fundraising Regulator and the Director of Development is a member of the Chartered Institute of Fundraising and therefore bound by its code of conduct. The codes of both bodies have been complied with.

The College has received no complaints about fundraising in the year reported.

To protect vulnerable people and other members of the public the College acts in the following way:

- Before a fundraising telephone call, those who will be called are sent a letter making clear that they can request not to receive the call. The list of those not wishing to receive a call is updated daily to ensure exclusion
- During telephone fundraising calls, a gift ask is made only twice (the second time at a lower level). Training is given on how to ask in this way without applying pressure to the recipient of the call
- Training is given on how to handle a call when contact is made with an obviously vulnerable person where we have previously been unaware of this vulnerability
- We do not persist in asking for personal meetings if there is an indication that a meeting is not welcomed or wanted.

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Financial and Operations Review

Finance summary

The financial and operational highlight of the year was securing a major asset for the College in the form of a 5,400 sqm building, formerly known as the Kaetsu Centre, now as Paula Browne House. The deal, completed on 19 May 2021, finally brought to fruition two years of significant negotiations with Kaetsu Gakuen, a Japanese Educational and Cultural Foundation, and was enabled by the biggest single gift ever awarded by The John Browne Charitable Trust (£2m), already a benefactor of the College.

The building significantly adds to the College's capital and asset base, and the facilities the College can offer in the future. Situated on College land, the building comprises a conference centre, a modern lecture theatre, teaching spaces, Fellows and student accommodation, and administrative offices. The deal also ensures the College now has full control of its main site. Securing this asset is transformational.

While this provided a welcome boost to the College, income generation otherwise proved challenging during another year with periods of non-residence for students and conference business cancellations. Academic fee and endowment income held firm, and job retention scheme receipts and other generous donations from alumnae all helped offset the loss of residential income. Continuing special budget and cash flow measures helped further combat the significant losses in residential income and events and conferencing business. Together with expenditure cuts and reductions, the result – excluding the large £2m capital donation - was a deficit of £694k for 2020-21, better than that expected at the beginning of the year. Importantly, student support expenditures continue to be met in full.

Investments performed well, delivering an 18% return overall for the year, while capital works were curtailed. A planned loan repayment was rescheduled, conserving further cash.

The result for the College meant that its overall net worth increased substantially from £106.6m to £119.5m at the end of the year, with £81.5m invested. The College's financial position thus improved significantly, indicating a successful year financially, especially so given the pandemic.

The College usually sets aside operating cash flow for debt repayment but deferred a £300k repayment in the year. Interest on £11.85m outstanding debt, £10.5m of which incurs fixed rates, amounts to more than £0.5m each year. Loans as a percentage of total net assets are now considerably reduced at just below 10% and the College is not substantially levered in debt terms.

Financial uncertainty and challenges clearly remain. The College projects cash flows, five-year budgets and balance sheets, together with scenario stress tests, to help prepare for the uncertainties and the College's free reserves are sound.

Income and expenditure

The College's income derives principally from academic fees and charges, charges to students for accommodation and catering, charges for conferences and events and donations, all supported by investment returns from its endowments, as follows:

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	2020-21	2019-20	Year on year
	£000s	£000s	change
College fee	2,501	2,404	+4.0%
Charges to members for accommodation and catering	1,670	1,741	-4.1%
Charges for events and conferences	8	793	-99.0%
Investment income and endowment return transferred	2,211	2,162	+2.3%
Donations and endowments	2,574	1,058	+43.3%

Of the University regulated undergraduate tuition fee, half is retained by Colleges. The regulated fee increased from £9,000 to £9,250 for undergraduate students matriculating in 2017 and has remained at this level. Numbers of undergraduates increased during the year due to a larger first year cohort.

Accommodation and catering charges to members decreased by 4.1% (2019-20: 27.8%). In order to meet the full costs of accommodation, the College draws upon its endowment and other income. This helps the College set rents at a level that makes them more affordable for students and rents for student accommodation represent good value within the wider market.

The College uses its facilities for commercial events and conferences when not required for its academic needs, precedence being given to College events. This activity normally makes an important contribution to the College's income and free cash flow. The pandemic meant that this contribution was severely affected during the year in question.

The endowment performance is commented upon separately in the section "Endowment and investment performance" below.

Staffing costs (excluding pension scheme deficit adjustments) fell significantly owing to reduced residential, conference and catering activity as a result of the pandemic as well as special budget measures.

Aside from the large capital investment noted, property and premises spend was similar in reduced scale and cost to last year. The College looks to maintain a five-year maintenance plan to ensure timely refurbishment of key elements of plant to control operational risk, the maintenance of buildings to a standard which is intended to prevent more costly remedial works and refurbishment to the extent that the budget can support it.

Endowment and investment performance

The College's Finance Committee formulates general investment policy on the advice of its Investment Sub-Committee. The College instructs fund managers to manage financial investments. Its principal fund managers during the year were CCLA Investment Management Limited and the Cambridge University Endowment Fund (CUEF). Cambridge Associates manages venture capital and private equity investments. The College manages directly a number of small, maturing private equity investments and a literary estate.

The College engaged specialists to undertake a full review of its fund managers and investment performance during the year. The objectives under the investment policy are: for long-term funds,

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to generate returns in excess of inflation and generate a return sufficient to support the ongoing activities of the College and to preserve the long-term value of the endowment; for short-term funds, to preserve capital value with minimum risk. Assets are invested widely, generally by discretionary investment managers in pursuit of these objectives. Investment managers' ethical and responsible investment policies are reviewed and the College excludes direct investments which materially conflict with its purposes. The College's principal investment manager, CCLA, has achieved an assessment of A or A+ in nearly all categories under UNEP's Principles for Responsible Investment.

The investments are set out in note 9. They represent the College's endowment assets, part of its corporate capital and general reserves.

The College's investments comprise three principal categories: the Segregated Fund and Amalgamated Funds invested principally in units in a common investment fund, limited partnership interests in two venture capital and private equity funds of funds; and the literary estate of Roma Gill, a former Fellow, bequeathed to the College.

The Segregated Fund is managed on a total return basis and subject to an annual spending rule of 3.5% (prior to 2014-15: 4%). The quoted investments section, managed by CCLA, returned 17.2% (2019-20 6.1%), net of fees. An endowment within the Segregated Fund managed by CUEF returned 24.1% (2019-20: 2.0%) net of fees.

The Amalgamated Fund, managed principally by CCLA, is managed on an income and capital basis and returned a total of 17.5% (2019-20: 6%), net of fees. Prospective changes to the College's Statutes will allow such investments to be managed on a total return basis and be subject to a spending rule in the future.

The literary estate of Roma Gill yielded royalty receipts in the year of £96k (2019-20: £101k) principally from her editions of the plays of Shakespeare, published by OUP.

Assets in the endowment returned a weighted average of approximately 18.0% during the year (2019-20: 5.4%). By comparison, a broad-based benchmark portfolio of global equities (75%), UK property (5%), UK gilts (15%) and cash (5%) might have returned 16.5% before fees (2019-20: 0.4%).

Total capital expenditure, excluding heritage assets, during the year was £2.4m (2019-20: £0.1m). This included Paula Browne House and the items referred to in the maintenance section above qualifying for capitalisation under the College's accounting policies.

Balance sheet

Consolidated net assets stood at £119.5m at 30 June 2021, growing from £106.6m at 1 July 2020. £62.5m of total reserves are unrestricted. The underlying income and expenditure deficit was offset by strong investment performance and the large capital donation to acquire Paula Browne House. Investment assets now stand at £81.5m, with tangible fixed assets at £51.7m.

Actuarial gains reduced defined pension scheme liabilities. Debt as a proportion of the College's net assets is below 10%.

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Reserves

The College intends to continue to pursue its objects in perpetuity. Its activities require financial support from funds, which include the College’s corporate capital, its endowments, and its restricted and unrestricted reserves. These funds are necessary to continue to underpin the significant public benefit provided by the College in pursuance of its objects in the areas of learning, education and research.

Free reserves are those reserves which are freely available to spend on any of the College’s objects and as such exclude unexpendable reserves, reserves applied to tangible fixed assets and reserves designated for or restricted to a certain purpose or purposes. (See table below).

The College considers a suitable minimum level of free reserve to be an amount broadly equivalent to six months’ essential operational spend, currently £4m. Such reserves will provide support should the College face an unforeseen downturn or significant event which has an adverse financial impact.

The College intends to increase its contribution to public life and benefit and intends to grow its reserves as it seeks opportunities to do so. The College has not therefore determined a maximum level of free reserves.

The policy and compliance with this policy is reviewed annually and particularly in the event of material change, upwards or downwards, in the level of free reserves. The College has complied with the policy in all material respects during the financial year 2020-21.

A statement of Reserves and net asset funds as at 30 June 2021 is shown below:

	Intangible assets	Tangible assets (inc Heritage assets)	Investments	Net current assets	Long term liabilities	Pension liabilities	Total
	£k	£k	£k	£k	£k	£k	£k
Endowment		897	54,328				55,225
Restricted			1,707				1,707
Unrestricted	770	50,836	25,453	(493)	(11,850)	(2,179)	62,537
Total	770	51,733	81,488	(493)	(11,850)	(2,179)	119,469

If free reserves are taken to be total unrestricted net assets less unrestricted intangible and tangible assets, free reserves come to £10.9m

Cash flow

Cash flow from operating, investing and financing activities generated £54k (2019-20: £697k). The College normally sets aside £300k for repayment of bank debt, but, as noted, has deferred it for this year. Internal borrowings in 2011-12 from corporate capital, to finance works to the Library and Grove Lodge, continue to be repaid by way of internal transfers of £40k each year.

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Technology innovation

Once again, technological change has been a significant feature of the year. Mobility, service delivery, business continuity, and data security continued to provide a focus for the team and the College more widely. A pilot project on mobile (and accessible) working in the Bursary proved highly successful. This will underpin and develop the College's ability to work in a new, agile, more efficient and genuinely collaborative way. IT operations proved resilient during the year and collaborations with other Colleges to improve scale and efficiency continue, with further improvements to come. Phase two of the mobility project will begin next year, a major part of which will focus on the development of a College intranet, an opportunity which will be opened up as part of the mobility project.

Learning and development

With over 60 Fellows and 120 staff, the College continues to prioritise sound people leadership, management and engagement. A partnership with the Diversity Trust was entered into to facilitate workshops on equality, diversity and inclusion for Fellows and staff. The Race and Ethnicity committee, established in 2019, also continued its work drawing on wide representation across College. Further employment law training supplemented this.

The Development Director provided training sessions on fundraising for Fellows and staff.

Delivery of a bespoke management training programme for team leaders continued, bringing managers together again as a group on a variety of topics (communications, conflict management and others), helping them share experiences and approaches. Further support is envisaged in areas of creativity and change management. Further GDPR training was also given to staff as part of the College's ongoing GDPR compliance work. Training was again offered to all staff to enhance technological skills, given the increase in online, remote working and also to assist with the mobility and hybrid working strategy.

Communications

The College views its profile as an area where further progress can be made, and vital to helping enable a number of College initiatives and objectives. It therefore anticipates a major drive in this area in the following year. This year, professional communications expertise supported departments across the College and underpinned a wide variety of College objectives and needs. Communications expertise to reach external audiences and media has been engaged by the College. Qualitative engagement and impact metrics, rather than basic counting indicators such as the number of web visitors or page views will assist in evaluating success and areas for improvement.

Estate and facilities

The original College buildings date from the 1960s and have required substantial refurbishment and renovation, particularly the Dome, Library and Orchard Court. In addition Buckingham House was rebuilt to provide a conference and residential facility, now supplemented by Paula Browne House, and Canning & Eliza Fok House was built to provide 40 rooms for graduate accommodation. The works were funded partly from £13.5m bank loans drawn from 1999 to 2008.

As noted previously, the major development of the Estate took place this year through the acquisition of Paula Browne House, a large accommodation and conferencing centre on the north

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side of the College, built in 1998. This increases the physical footprint of the College substantively and enables the achievement of a number of strategic objectives, not the least of which is planned growth.

The College buildings also include Victorian and Edwardian buildings in addition to the main buildings on the New Hall site from 1965, the substantial additions of Pearl House (1994), Buckingham House (2001) and Canning & Eliza Fok House (2008).

In the light of the changed financial climate, significant new additions to the College Estate, and with the impact of office and home working practices becoming clearer, options for possible relocation, reconfiguration and refurbishment of office spaces have been put together and are currently being consulted upon. It is likely pressure will be relieved somewhat on office space due to new ways of working and the expansion of the Estate this year. The focus will likely return to maintenance and capital spend on student accommodation. Raising capital funds for the refurbishment of remaining staircases in Orchard Court remains a priority.

Governance

Finally, on governance, the Governing Body and the College Council agreed substantive changes and modernisations to its governing Statutes and Ordinances in order to help it keep pace with and meet the challenges and ways of working of the 21st century. It also introduced flexibility so that any changes required in the future could be made more rapidly and economically. These have now received University approval and have been submitted to the Privy Council Office.

As well as the usual inductions for new Governing Body and Council members, the College also reviewed its procedures for electing Governing Body members to Council. Training sessions on the duties of Trustees were also provided by a firm of legal professionals.

The College's remuneration committee continues to be an independent committee composed entirely of external members. Its remit covers remuneration arrangements for all Governing Body Fellows.

Staff costs and pensions

Staffing costs represent the biggest operating cost of the college. Core staffing costs decreased by 6% following a reduction in non-academic staff headcount by 11 FTE. The overall cost remained flat year on year, as there was a £0.3m pension cost adjustment offsetting last year's staffing costs. Job retention scheme receipts subsidising the cost of staffing are included under Other Income.

The College makes pension fund contributions on behalf of its employees to two defined benefit schemes and one defined contribution scheme:

- The Universities Superannuation Scheme (USS) on behalf of academic and some non-academic staff;
- The Aviva defined contribution scheme on behalf of non-academic staff;
- The Cambridge Colleges Federated Pension Scheme (CCFPS) on behalf of non-academic staff and which is now closed to new members.

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Following an actuarial valuation, the CCFPS net liability as at 30 June 2021 is estimated to be £1.5m (2020 £2.1m). Following an external review, past service deficit contributions continue to be made by the College at the same level (£62k p.a.) until 31 January 2028.

The College's net liability within USS remained at £0.7m.

Principal risks and uncertainties

The College reviews risks at a corporate level and an operational level. Principal corporate risks include:

- Academic risks including the calibre of students seeking admission to the College and ensuring that the Fellowship is attractive to academics
- Providing buildings and accommodation which are of suitable quality for, and meet the needs of, students and Fellows
- Reputational risk as the College builds a higher profile especially on the subject of women's education and employment
- Maintaining the reputation of the College and ensuring that it provides an excellent academic and student experience
- Funding risks and securing sufficient resources to deliver the College's priorities
- The effect of the Covid-19 pandemic on the College, including elevated financial risk

Operational risks are reviewed at a departmental level and appropriate procedures put in place to monitor and control them. The College maintains a critical incident plan and tests it with simulated incidents.

Covid-19 pandemic

The coronavirus pandemic continued to have a significant impact on the finances and operations of the College as follows:

- Students were required to return home (where possible) for part of the year and ongoing arrangements for online teaching and the provision of online study material were, again, a feature of the year.
- Periods of student non-residence affected residential and catering income significantly.
- Certain staff were put on furlough leave under the Coronavirus Job Retention Scheme. Remaining staff worked, where they could, from home.
- Conferencing business ceased and a significant loss of income ensued as a result. This was keenly felt during the summer of 2020 when a large part of conferencing business is undertaken.

The College continued to manage the financial consequences of the pandemic closely and introduced a number of special budget measures to reduce costs. The College Council met frequently keeping itself informed of developments and available to make quick decisions in the face of uncertainty and limited information.

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Plans for the future

The current strategic direction document covers the period from 2018-2022. The College will begin a wide review of its plans next year. Student recruitment, educational excellence, and continuing to build a stimulating environment and culture in which all thrive, including building the resources to do so, will doubtless remain priority issues.

In financial terms, while the College continues to be undercapitalised in an uncertain political and economic environment, it continues to make good progress on this front. Like many in the Higher Education sector, the College continues to face significant challenges, but will endeavour to continue to improve its financial position through scrutiny of costs and the pursuit of new sources of income, consistent with its charitable objects. Specifically, it will continue careful stewardship of its endowment. The College will continue to raise benefactions to increase its endowments generally to ensure the College can exist in perpetuity, with the income from its endowments supporting the cost of educating students, currently not fully covered by the College's other sources of academic income.

Corporate Governance

Statement of Corporate Governance

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

The College is a registered charity (registered number 1137530) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

The Governing Body has the ultimate authority in the governance of the College, which it exercises in accordance with and subject to the College Statutes. The Governing Body comprises the President and all Fellows other than Emeritus or Honorary Fellows, and meets at least once in each Term. Statutes specify that one meeting of the Governing Body in each academic year shall be the Audit Meeting.

Subject to ultimate authority being vested by statute in the Governing Body, the College Council is the principal executive body of the College, responsible for administering the affairs of the College and managing its property and income. Under the Statutes of the College, the College Council consists of the President, Vice-President, Bursar and Senior Tutor (all ex officio), nine members of the Governing Body (elected by the Governing Body) and the Presidents of the undergraduate and postgraduate student unions. These Council members are the College Trustees for the purposes of charity law. An observer drawn from the membership of the relevant student union may attend in the absence of the President of that union. Two staff observers are also in attendance at Council meetings.

The President chairs Governing Body and Council; the Senior Tutor has overall responsibility for admissions, education, and welfare of postgraduate and undergraduate students; the Bursar has overall responsibility for the finances, human resources, buildings, operations and administration of the College. The President and Vice-President are elected by the Governing Body. Officers, other than the President and Vice-President, are appointed, and may be removed, by Council. Council

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fulfils its responsibilities through a number of principal committees to which some powers are delegated and through which advice is sought. They include:

- Academic Policy (Sub-Committee: Admissions);
- Art;
- Communications;
- Domestic and Estates & Events (Sub-Committees: Gardens, Health and Safety);
- Fellowship Review Group;
- Finance (Sub-Committee: Investment);
- Fundraising and External Relations (supported by the Communications Scheduling Group)
- IT Strategy;
- Personnel (Sub-Committee: Staff Council);
- Prevent Committee
- Race and Ethnicity
- Remuneration
- Student Funding.

The principal officers of the College are listed on page 1.

An Audit Committee, appointed by Council, reports to the Governing Body. It is in the terms of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body, in conjunction with the Finance Committee, on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; and to report to the Governing Body. Membership of the Audit Committee consists of three Fellows other than the Bursar, one to be appointed by Council annually each for a term of three years, together with one external adviser. Serving members of the Finance Committee shall not be eligible for appointment.

The Audit Committee may examine the accounts, consult with the auditor, and is required to report to Council and to Governing Body at the Audit Meeting on matters of general policy in relation to the accounts as it sees fit.

There are registers of interests of Trustees and of the senior administrative officers. Declarations of interest are made systematically at meetings.

The College's Trustees during the year ended 30 June 2021 are set out on page 2.

Scope of the financial statements

The consolidated financial statements cover the activities of the College and its two subsidiary companies. These undertake activities which, for legal or commercial reasons, are more appropriately carried out by limited companies.

Statement of internal controls

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

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The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.

The Trustees are responsible for reviewing the effectiveness of the system of internal control. The Trustees' review of the effectiveness of the system of internal control is informed by the work of the Finance and Audit Committees, Bursar and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Transactions between College and members of the Governing Body

Most Fellows hold office or employment with the College and receive remuneration for the services they provide. This ranges from full time employment to occasional teaching. Stipends, salaries and fees for these services are set by Council. The role of the Remuneration Committee, whose members are all independent, is to act as a body to review the level of remuneration and other direct and indirect benefits for the members of the Governing Body, including members of the Council of the College.

Financial management and control

The College operates a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation, and for bringing forward budget proposals through an annual budgeting process. Fellows, members of staff and students are encouraged to participate in the process through their membership of the College's Committees. The Finance Committee is responsible for turning the proposals into a coherent and transparent budget proposal which is part of a sustainable financial plan. The budget is considered in detail to ensure that it is consistent with the College's strategic aim and objectives and then recommended to Council for approval.

Statement of Trustees' responsibilities

College Council, as Charitable Trustees are responsible for preparing the Trustees' annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the group and parent college and of the incoming resources and application of resources of the group for the year. In preparing those financial statements the Trustees are required to:

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

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The Trustees are responsible for keeping accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent (i.e. the college) and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge, the Charities Act 2011 and regulations made thereunder. They are also responsible for safeguarding the assets of the group and parent college and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Approved by College Council on 8th November 2021



Dorothy Byrne

President



Robert Hopwood

Bursar

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**Independent Auditor's Report to the Members of the Council of Murray
Edwards College**

Opinion

We have audited the financial statements of New College (the "Charity") for the year ended 30 June 2021 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group and charity's affairs as at 30 June 2021 and of the group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Members of the Governing Body's 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 charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

The Members of 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 auditor's 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

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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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- sufficient accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Members of the Governing Body

As explained more fully in the Statement of Accounting and Reporting Responsibilities [set out on page 18], the Members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they 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 Members of the Governing Body are responsible for assessing the Charity'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 Members of the Governing Body either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditor's 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:

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- 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 charity through discussions with Members of the Governing Body and other management, and from our knowledge and experience of the client's sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including Charities Act 2011, Office for Students and Oxford University requirements, taxation legislation, data protection, employment and pensions, planning and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and, where relevant, inspecting legal correspondence; 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 charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of Members of Governing Body and other 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:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates 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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- if considered necessary, reviewing correspondence with relevant regulators and the company'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 Members of Governing Body and other management and the inspection of regulatory and legal correspondence, if any.

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

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

This description forms part of our auditor's report.

Use of our report

This report is made solely to the College's Governing Body, as a body, in accordance with section 144 of the Charities Act 2011 and the regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Members of the Governing Body those matters we are required to state to them in an auditor's 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's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.



Critchleys Audit LLP
Statutory Auditor
Oxford

Date: 22 November 2021

Critchleys Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

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

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary companies are included in note 27. Intra-group balances are eliminated on consolidation.

Recognition of income

Academic fees

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

Grant income

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

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

Donations and endowments

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

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:

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

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

Endowment and investment income

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

Total return

The College also holds certain restricted and unrestricted permanent capital, derived from specific donations, in a Segregated Fund, the terms of which require that 3.5% per year of the capital value at the end of January each year is recognised as income in the Consolidated Statement of Comprehensive Income and Expenditure

Foreign currency translation

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

Fixed Assets

Land and buildings

Operational land and buildings are stated at valuation. Buildings on the main College site, being specialised properties, were valued on the basis of their depreciated replacement cost at 30 June 2015 by AECOM, property consultants. Certain off-campus land and buildings are valued on the basis of their existing use. The most recent valuation was carried out by Carter Jonas LLP, property consultants, as at 30 June 2015.

Land purchased prior to 1 July 2002 is not capitalised unless it is held for investment purposes. Land purchased since 1 July 2002 is capitalised in the balance sheet. Freehold land is not depreciated.

Operational buildings are depreciated on a straight-line basis over their expected useful economic lives at the rate of 1.5% per year.

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

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Buildings under construction are valued at cost, based on the value of the architects' certificates and other direct costs incurred to the balance sheet date and are depreciated at the rate of 1.5% per year when they are brought into use.

Maintenance of premises

The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred. The cost of major refurbishment and maintenance that restores value is capitalised and depreciated at the rate of 1.5% per year.

Furniture, fittings and equipment

Furniture, fittings and equipment with a cost of more than £10,000 are capitalised and depreciated at the rate of 10% per year. Project specific IT equipment costs over £10,000 are capitalised and depreciated at a rate of 20% per year.

Operating leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of comprehensive income and expenditure in the year in which they fall due.

Heritage assets

Works of art, books and other valuable artefacts are capitalised and recognised in the balance sheet at the cost or value of the acquisition where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

The College has a large art collection, most of which has been donated to the College. The valuation of the collection is reviewed by the College's art curator who, with the assistance of the Art Advisory Committee, informs the Bursar of any valuation changes on an annual basis. The College includes all assets over £10,000 as valued and includes additions acquired between valuations at a fair value. All heritage assets are maintained and conserved by College staff with access available by permission of the College. The assets held are properly insured if appropriate, with records kept by those responsible for care of the assets.

Investments

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

Stocks

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

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Financial instruments

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

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

Financial assets

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

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

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

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

Financial liabilities

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

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is

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due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

Taxation

The College is a registered charity (number 1137530) 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 Schemes

The College participates in the following pension schemes:

- **Universities Superannuation Scheme (USS)** –The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The 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 FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period and the changes in the present value, calculated by reference to the yield on high quality corporate bonds, of contributions not expected to be settled wholly within 12 months of the reporting period in which the employee renders the related service. The scheme is closed to new non-academic members of the College. Further information on the scheme is provided in note 26.
- **Cambridge Colleges Federated Pension Scheme (CCFPS)** - a similar defined benefit scheme which is externally funded and contracted out of the (S2P). The scheme is closed to new members of the College. As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by FRS 102. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS 102.
- **Aviva** - a defined contributions pension scheme set up for non-academic staff in 2010-11. The College contributes at 5% in addition to employee contributions of 2%. The scheme is administered by Aviva. Contributions are charged to the Income and Expenditure account in the period to which they relate.

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Employment benefits

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

Reserves

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

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

Critical Accounting Estimates and Judgements

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

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

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 [and other post-employment benefits] are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 26.

Management is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

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Consolidated Statement of Comprehensive Income and Expenditure

Income	Note	2021				2020			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Academic fees and charges	1	2,666			2,666	2,562			2,562
Accommodation, catering and conferences	2	1,678			1,678	2,534			2,534
Investment income	3	721	33	1,524	2,278	722	32	1,493	2,247
Endowment return transferred	3	1,430	27	(1,457)	-	1,360	28	(1,388)	-
Other income		419			419	330			330
Total income before donations and endowments		6,914	60	67	7,041	7,508	60	105	7,673
Donations		2,208	116	247	2,571	461	385	208	1,054
New endowments		-	-	3	3	-	-	4	4
Other receipts		-	-	-	-	-	-	-	-
Heritage assets		-	-	30	30	-	-	19	19
Total income		9,122	176	347	9,645	7,969	445	336	8,750
Expenditure									
Education	4	3,405	358	309	4,072	3,737	276	336	4,349
Accommodation, catering and conferences	5	4,109			4,109	4,281			4,281
Investment management costs	3	60	4	133	197	59	3	129	191
Other expenditure		111			111	(157)			(157)
Total expenditure	6	7,685	362	442	8,489	7,920	279	465	8,664
Surplus/(deficit) before other gains and losses		1,437	(186)	(95)	1,156	49	166	(129)	86
Gain/(loss) on investments	9	3,166	160	7,777	11,103	606	31	1,094	1,731
Surplus/(deficit) for the year		4,603	(26)	7,682	12,259	655	197	965	1,817
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	15	584			584	(291)			(291)
Total comprehensive income for the year		5,187	(26)	7,682	12,843	364	197	965	1,526

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Statement of Changes in Reserves

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted £000	Restricted £000	Endowment £000		
Balance at 1 July 2020	43,482	1,854	47,422	13,868	106,626
Surplus/(Deficit) from income and expenditure statement	4,603	(26)	7,682		12,259
Actuarial gain/(loss) in respect of pension schemes	584	-	-		584
Transfers	-	(121)	121		-
Balance at 30 June 2021	48,669	1,707	55,225	13,868	119,469

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted £000	Restricted £000	Endowment £000		
Balance at 1st July 2019	43,118	1,657	46,457	13,868	105,100
Surplus/(Deficit) from income and expenditure statement	655	197	965		1,817
Actuarial gain/(loss) in respect of pension schemes	(291)				(291)
Transfers between funds					-
Balance at 30 June 2020	43,482	1,854	47,422	13,868	106,626

The notes on pages 36 to 56 form part of these accounts.

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FOR THE YEAR ENDED 30 JUNE 2021**

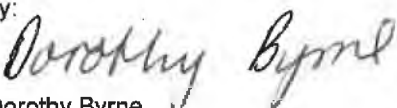
Consolidated Balance Sheet

	Note	2021 £000	2020 £000
Non-current assets			
Intangible Assets	8	770	770
Fixed assets	8	50,836	49,263
Heritage assets	8	897	867
Investments	9	81,488	69,968
Current assets			
Stocks	10	25	30
Trade and other receivables	11	580	436
Cash and cash equivalents	12	784	1,504
		<u>1,389</u>	<u>1,970</u>
Creditors: amounts falling due within one year	13	(1,882)	(1,531)
Net current assets		<u>(493)</u>	<u>439</u>
Total assets less current liabilities		133,498	121,307
Creditors: amounts falling due after more than one year	14	(11,850)	(11,850)
Provisions			
Pension provisions	15	(2,179)	(2,831)
Total net assets		<u>119,469</u>	<u>106,626</u>
Restricted reserves			
Income and expenditure reserve – endowment reserve	16	55,225	47,422
Income and expenditure reserve – restricted reserve	17	1,707	1,854
		<u>56,932</u>	<u>49,276</u>
Unrestricted reserves			
Income and expenditure reserve – unrestricted		48,669	43,482
Revaluation reserve		13,868	13,868
		<u>62,537</u>	<u>57,350</u>
Total reserves		<u>119,469</u>	<u>106,626</u>

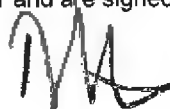
The notes on pages 36 to 56 form part of these accounts.

Unrestricted reserves includes an amount of £29,167,648 (2020 £26,658,905) previously described as corporate capital.

These accounts were approved by the College Council on 8th November 2021 and are signed on their behalf by:



Dorothy Byrne
President



Rob Hopwood
Bursar

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Consolidated Cash Flow Statement		2021	2020
	Note	£000	£000
Net cash inflow/(outflow) from operating activities	19	365	(509)
Cash flows from investing activities	20	209	2,041
Cash flows from financing activities	21	(520)	(835)
Increase/(decrease) in cash and cash equivalents in the year		<u>54</u>	<u>697</u>
Cash and cash equivalents at beginning of the year		4,412	3,715
Cash and cash equivalents at end of the year	12	4,466	4,412
Cash flows		<u>54</u>	<u>697</u>

The notes on pages 36 to 56 form part of these accounts.

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Notes to the accounts

1 Academic fees and charges	2021	2020
	£000	£000
College fees		
Fee income paid on behalf of undergraduates at the publicly-funded rate:		
- Undergraduate new regime (per capita £4,614 2020 £4,564)	1,537	1,465
Privately-funded undergraduate fee income (per capita £8,569; 2020 - £8,188)	405	418
Erasmus students	9	19
Graduate fee income	550	502
Sub-total college fees	2,501	2,404
Other income	165	158
Total	2,666	2,562

Income in respect of the Cambridge Bursary Scheme is included in other income.

2 Income from Accommodation, catering and conferences	2021	2020
	£000	£000
Accommodation		
College members	1,442	1,431
Conferences	2	474
Catering		
College members	228	310
Conferences	6	319
Total	1,678	2,534

3 Endowment return and investment income

3a Analysis	2021	2020
	£000	£000
Total return contribution (see note 3b)		
Income from:		
Quoted securities	167	164
Fixed interest securities	-	-
Common investment fund	623	609
Royalties	96	101
Return on Segregated Fund	1,391	1,360
Other interest receivable	1	13
Total	2,278	2,247

3b Summary of total return	2021	2020
	£000	£000
Income from:		
Quoted and other securities and cash	2,182	2,146
Royalties	96	101
Gains/(losses) on endowment assets:		
Quoted and other securities and cash	11,103	1,731
Investment management costs (see note 3c)	(197)	(191)
Total return for year	13,184	3,787
Total return transferred to income and expenditure reserve (see note 3a)	(2,278)	(2,247)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 18)	10,906	1,540

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Notes to the accounts

3c Investment management costs	2021 £000	2020 £000
Securities	197	191
Total	<u>197</u>	<u>191</u>

4 Education expenditure	2021 £000	2020 £000
Teaching	2,197	2,371
Tutorial	746	787
Admissions	569	586
Research	134	171
Scholarships and awards	272	254
Other educational facilities	154	180
Total	<u>4,072</u>	<u>4,349</u>

5 Accommodation, catering and conferences expenditure	2021 £000	2020 £000
Accommodation		
College members	3,136	2,657
Conferences	165	664
Catering		
College members	791	610
Conferences	17	350
Total	<u>4,109</u>	<u>4,281</u>

6a Analysis of 2020/21 expenditure by activity	Staff costs (note 7)	Other operating expenses	Depreciation	Total
Education	2,598	1,325	149	4,072
Accommodation, catering and conferences	1,884	1,523	702	4,109
Investment management costs	-	197		197
Other	102	9		111
Totals	<u>4,584</u>	<u>3,054</u>	<u>851</u>	<u>8,489</u>

Expenditure includes fundraising costs of £223,845. This expenditure excludes the costs of alumnae relations.

6b Analysis of 2019/20 expenditure by activity	Staff costs (note 7)	Other operating expenses	Depreciation	Total
Education	2,682	1,513	154	4,349
Accommodation, catering and conferences	2,056	1,499	726	4,281
Investment management costs	-	191		191
Other	(171)	14		(157)
Totals	<u>4,567</u>	<u>3,217</u>	<u>880</u>	<u>8,664</u>

Expenditure includes fundraising costs of £117,120. This expenditure includes the costs of alumnae relations.

6c Auditor's remuneration	2021 £000	2020 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	22	21
Other fees payable to the College's external auditors	-	-
Internal auditor's fees	-	-
	<u>-</u>	<u>-</u>

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7 Staff costs	College Fellows £000	Staff £000	2021 £000	2020 £000
Emoluments	1,273	2,436	3,709	3,958
Social security costs	152	192	344	350
Other pension costs	175	193	368	79
Other staff costs	51	112	163	180
	<u>1,651</u>	<u>2,933</u>	<u>4,584</u>	<u>4,567</u>

Job retention scheme receipts subsidising the cost of staffing are included under Other Income.

Average staff numbers (full-time equivalents):

Academic	63	64
Staff	87	98
Total	<u>150</u>	<u>162</u>

At 30th June 2021, the Governing Body comprised the President and 62 Fellows, all of whom are declared stipendiary.

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

£60,001-£70,000	1	1
£70,001-£80,000	2	3
Trustees aggregate emoluments	<u>656</u>	<u>551</u>

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

Cost of key management personnel

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

	2021	2020
	£000	£000
Aggregate cost of key management personnel	<u>378</u>	<u>419</u>

Key management personnel consists of President, Vice President, Bursar, Senior Tutor and Director of Development.

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Notes to the accounts

8 Fixed assets	Intangible Assets £000	Land £000	Buildings £000	Furniture, fittings and equipment £000	Heritage Assets £000	2021 £000	2020 £000
Cost or valuation							
At beginning of year	770	-	52,943	1,626	867	56,206	56,068
Additions	0	-	2,228	198	-	2,426	121
Heritage assets capitalised	0	-	-	-	30	30	19
Disposals	0	-	(2)	-	-	(2)	(2)
At end of year	<u>770</u>	<u>-</u>	<u>55,169</u>	<u>1,824</u>	<u>897</u>	<u>58,660</u>	<u>56,206</u>
Depreciation							
At end of year	0	-	3,882	1,424	-	5,306	4,426
Charge for the year	0	-	797	54	-	851	880
At end of year	<u>-</u>	<u>-</u>	<u>4,679</u>	<u>1,478</u>	<u>-</u>	<u>6,157</u>	<u>5,306</u>
Net book value							
At beginning of year	770	-	49,061	202	867	50,900	51,642
At end of year	770	-	50,490	346	897	52,503	50,900

Intangible assets represent a literary copyright.

The insured value of freehold land and buildings as at 30 June 2021 was £104,347,178 (2020: £94,481,928).

The College's land and buildings were revalued at 30 June 2015.

Heritage assets

The College holds and conserves the New Hall Art Collection which has been built up over a number of years and which consists of mainly donated works. The Art Collection is preserved, conserved and managed in accordance with recognised national standards and the collection on display is open to the public for viewing. Those items not on general display can be accessed by the wider public by prior arrangement. The works are normally donated on a permanent basis so will be included as endowment assets. The Collection was last professionally valued in 2012 by Bonhams. As stated in the Statement of Accounting Policies all works of art valued over £10,000 are included in the accounts. Heritage Assets capitalised in the year were £30,000 (2020 £19,000).

Amounts for the current and previous four years were as follows:

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Value of acquisitions by donation	30	19	-	-	20
Total acquisitions capitalised	<u>30</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>20</u>

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Notes to the accounts

9 Investments	2021	2020
	£000	£000
Balance at beginning of year	69,968	68,129
Additions	155	163
Disposals	(512)	(385)
Gain/(loss) on investments	11,103	1,731
Increase/(decrease) in cash balances held at fund managers	774	330
Balance at end of year	<u>81,488</u>	<u>69,968</u>
Represented by:		
Property	100	100
Quoted securities – equities	-	-
Fixed interest securities	-	-
Common investment funds	75,173	65,080
Alternative investments	2,533	1,880
Cash in hand and at investment managers	3,682	2,908
Other investments	-	-
	<u>81,488</u>	<u>69,968</u>
10 Stock	2021	2020
	£000	£000
Goods for resale	25	30
Balance at end of year	<u>25</u>	<u>30</u>
11 Trade and other receivables	2021	2020
	£000	£000
Members of the College	222	12
Trade debtors	24	6
Taxation	5	37
Other debtors	219	205
Prepayments and accrued income	110	176
	<u>580</u>	<u>436</u>
12 Cash and equivalents	2021	2020
	£000	£000
Bank deposits	-	-
Current accounts	783	1,503
Cash in hand	1	1
	<u>784</u>	<u>1,504</u>
Cash held as part of Investments	3,682	2,908
	<u>4,466</u>	<u>4,412</u>

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13 Creditors: amounts falling due within one year	2021	2020
	£000	£000
Trade creditors	1,248	788
Members of the College	146	135
Taxation and social security	152	149
Accruals and deferred income	336	459
	<u>1,882</u>	<u>1,531</u>

14 Creditors: amounts falling due after more than one year	2021	2020
	£000	£000
Bank loans	11,850	11,850
	<u>11,850</u>	<u>11,850</u>

The bank loans of £11.85m are repayable as follows: £1.35 million by March 2025, £1.5 million by March 2029 and £9 million by March 2048.

The loans are subject to the following fixed interest rate contracts:

Loan amount	Rate	Maturity
£1.5m	4.56%	2026
£9m	5.00%	2048

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15 Pension provisions	2021 £000	2020 £000
Balance at beginning of year	2,831	2,894
Movement in year:		
Current service cost including life assurance	366	333
Contributions	(419)	(380)
Other finance (income)/cost	42	57
Other allocation to staff costs	(57)	(364)
USS provision for deficit recovery	-	-
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(584)	291
Balance at end of year	<u>2,179</u>	<u>2,831</u>
Cambridge Colleges' Federated Pension Scheme	1,478	2,085
Universities Superannuation Scheme	701	746
	<u>2,179</u>	<u>2,831</u>

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below and further information is provided in note 25.

The adoption of the new deficit recovery plan following the 2018 actuarial valuation has given rise to a decrease in the deficit provision which has decreased from £746k to £701k. More details on the 2018 actuarial valuation are set out in note 25.

The major assumptions used to calculate the obligation are:

	2021	2020
Discount rate	0.73%	1.58%
Salary growth	2.7%*	2.00%

* 2.7% from 1.7.2021, 0% until 30.6.21.

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15 Pension provisions (continued)

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 30 June 2021	Approximate Impact
0.71% pa decrease in discount rate	£20k

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16 Endowment funds	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2021 £000	2020 £000
Restricted net assets relating to endowments are as follows:				
Balance at beginning of year:	7,505	39,917	47,422	46,457
New donations and endowments	4		4	4
Other receipts	121	-	121	-
Heritage assets capitalised	30	-	30	19
Return on Segregated Fund	67	1,324	1,391	1,360
Drawdown	(70)	(1,402)	(1,472)	(1,390)
Income	397	1	398	349
Expenditure	(309)	-	(309)	(336)
Investment management costs	(19)	(115)	(134)	(129)
Increase/(decrease) in market value of investments	1,023	6,751	7,774	1,088
Transfers		-	-	-
Balance at end of year	<u>8,749</u>	<u>46,476</u>	<u>55,225</u>	<u>47,422</u>
Analysis by type of purpose:				
Fellowship funds	4,839	1,281	6,120	5,199
Award funds	320		320	275
Hardship funds	785		785	650
Other student support	-		-	3
Travel Grant Funds	-		-	-
Graduate studentship funds	10	335	345	288
Research funds	1,898		1,898	1,612
Other funds	897	-	897	866
General endowments	-	44,860	44,860	38,529
	<u>8,749</u>	<u>46,476</u>	<u>55,225</u>	<u>47,422</u>
Analysis by asset:				
Property	16	84	100	100
Investments	8,666	46,034	54,700	47,081
Cash	67	358	425	241
	<u>8,749</u>	<u>46,476</u>	<u>55,225</u>	<u>47,422</u>

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17 Restricted Reserves	Other restricted funds £000	2021 £000	2020 £000
Reserves with restrictions are as follows:			
Balance at beginning of year:	1,854	1,854	1,657
Endowment return transferred	-	-	-
Other receipts	(123)	(123)	-
Income	176	176	445
Expenditure	(357)	(357)	(276)
Investment Management costs	(3)	(3)	(3)
Increase/(decrease) in market value of investments	160	160	31
Transfers	-	-	-
Balance at end of year	<u>1,707</u>	<u>1,707</u>	<u>1,854</u>

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

Fellowship funds	567	567	587
Award funds	435	435	439
Other student support	231	231	208
Travel grant funds	51	51	43
Graduate studentship funds	12	12	6
Other funds	411	411	571
	<u>1,707</u>	<u>1,707</u>	<u>1,854</u>

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18 Memorandum of Unapplied Total Return 2021
£000 2020
£000

Included within reserves the following amounts represent the unapplied total return of the College:

Unapplied total return at beginning of year	22,317	20,807
Unapplied total return for year (see note 3b)	10,906	1,540
Segregated income in excess of drawdown	(81)	(30)
Unapplied total return at end of year	33,142	22,317

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

Surplus/(deficit) for the year	12,259	1,817
Adjustment for non-cash items:		
Depreciation	851	880
Profit/(loss) on the sale of non-current assets	2	2
Loss/(gain) on endowments, donations and investment property	(11,103)	(1,731)
Investment management fees reinvested	76	76
Decrease/(increase) in stocks	5	(5)
Decrease/(increase) in trade and other receivables	(144)	(26)
Increase/(decrease) in creditors	351	351
Heritage assets capitalised	(30)	(19)
USS pension deficit	(45)	(347)
CCFPS additional actuarial gain	(3)	(3)
Pension costs less contributions payable	9	3
Segregated dividend income debtor	42	2
Decrease/(increase) in endowment drawdown retained in investments	(83)	(99)
Adjustment for investing or financing activities	(66)	(7)
Investment income	(2,278)	(1,940)
Interest payable	522	537
Net cash (outflow)/inflow from operating activities	365	(509)

20 Cash flows from investing or financing activities

Non-current investment (acquisition)/disposal	357	222
Investment income	2,278	1,940
Payments made to acquire non-current assets	(2,426)	(121)
Total cash flows from investing activities	209	2,041

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21 Cash flows from financing activities	2021	2020
	£000	£000
Interest paid	(522)	(537)
Profit on the sale of non-current assets	2	2
Repayments of amounts borrowed	-	(300)
Total cash flows from financing activities	(520)	(835)

22 Capital commitments	2021	2020
	£000	£000
Capital commitments at 30 June 2021 are as follows:		
Authorised and contracted	145	60
Authorised but not yet contracted for	-	-

23 Lease obligations

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

	2021	2020
	£000	£000
Land and buildings:		
Due within one year	32	32
Due between two and five years	88	120
Other		
Due within one year	6	8
Due between two and five years	3	9

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24 Consolidated reconciliation and analysis of net debt

Cash and cash equivalents	At 1 July 2020 £000	Cash Flows £000	At 30 June 2021 £000
Borrowings:			
Amounts falling due after more than one year			
Bank Loans	11,850	-	11,850

25 Financial Instruments

	2021 £000	2020 £000
Financial assets		
Listed equity investments	75,173	65,080
Other equity investments	2,533	1,880
Cash and cash equivalents	4,466	4,412
Other debtors	470	260
Total	<u>82,642</u>	<u>71,632</u>
Financial liabilities		
Loans	11,850	11,850
Trade creditors	1,248	788
Other creditors	298	284
Total	<u>13,396</u>	<u>12,922</u>

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26 Pensions

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

The liabilities of the plan have been calculated, at 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:

	2020	2019
	% p.a.	% p.a.
Discount rate	1.80	1.45
Increase in salaries	3.10	2.70
RPI assumption	3.40	3.10
CPI assumption	2.60	2.20
Pension increases in payment (RPI Max 5% p.a.)	3.30	3.00
Pension Increases in payment (CPI Max 2.5% p.a.)	1.95	1.80

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% p.a. (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 years).
- Male age 45 now and retiring in 20 years 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	64
Deferred members – option 1 benefits	63	62

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

Employee Benefit Obligations

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

	2021 £000S	2020 £000S
Present value of plan liabilities	(6,539)	(6,919)
Market value of plan assets	5,061	4,834
Net defined benefit/(liability)	<u>(1,478)</u>	<u>(2,085)</u>

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

	2021 £000s	2020 £000s
Current service cost	12	22
Administrative expenses	11	11
Interest on net defined benefit (asset)/liability	31	41
(Gain)/loss on plan changes	-	-
Curtailed (gain)/loss	-	-
Total	<u>54</u>	<u>74</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 £000s	2020 £000s
Present value of plan liabilities at beginning of period	6,919	6,416
Current service cost	12	22
Employee contributions	3	5
Benefits paid	(210)	(224)
Interest on plan liabilities	99	142
Actuarial (gains)/losses	(284)	558
(Gain)/loss on plan changes	-	-
Curtailed (gain)/loss	-	-
Present value of plan liabilities at end of period	<u>6,539</u>	<u>6,919</u>

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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:

	2020 £000s	2020 £000s
Market value of plan assets at beginning of period	4,834	4,616
Contributions paid by the College	77	80
Employee contributions	3	5
Benefits paid	(210)	(224)
Administrative expenses	(16)	(16)
Interest on plan assets	69	101
Return on assets, less interest included in Income and Expenditure	304	272
Market value of plan assets at end of period	<u>5,061</u>	<u>4,834</u>
Actual return on plan assets	<u>373</u>	<u>374</u>

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

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

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

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

	2021 £000s	2020 £000s
Return on assets, less interest included in Income and Expenditure account	304	272
Expected less actual plan expenses	(5)	(5)
Experience gains and losses arising on plan liabilities	164	21
Changes in assumptions underlying the present value of plan liabilities	121	(579)
Remeasurement of net defined benefit liability recognised in OCI	<u>584</u>	<u>(291)</u>

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

	2021	2020
	£000s	£000s
Net defined benefit asset/(liability) at beginning of year	(2,085)	(1,801)
Recognised in income and expenditure	(54)	(73)
Contributions paid by the College	77	80
Remeasurement of net defined benefit liability recognised in OCI	584	(291)
Net defined benefit asset/(liability) at the end of the year	<u>(1,478)</u>	<u>(2,085)</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 £62,097 per annum payable for the period to 31 January 2028.

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

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University Superannuation Scheme

The institution participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. 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 Consolidated Statement of Comprehensive Income 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 Consolidated Statement of Comprehensive Income.

Pension costs

The total cost charged to the Consolidated Statement of Comprehensive Income is £342k (2020: £300k).

Deficit recovery contributions due within one year for the institution are £85k (2020: £34k).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method. As at the year end, a valuation as at 31 March 2020 is underway but not yet complete.

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

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Pensions Costs (Continued)

The key financial assumptions used in the 2018 valuation are described below.

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. Mortality assumptions used in these figures are as follows:

Mortality base table	2018 valuation
	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	<u>Post-retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

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

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A new deficit recovery plan was put in place as part of the 2018 valuation. In accordance with the requirements of FRS 102 and the SORP, the College has made a provision for this contractual commitment to fund the past deficit based on 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. The 2021 deficit recovery liability reflects this plan.

This reduction in deficit contributions has given rise to a decrease in the deficit provision which has decreased from £746k to £701k, as set out in note 15.

Events after the reporting period

The USS 2020 valuation has now been signed and filed with The Pensions Regulator as at 1st October 2021. This includes a dual rate schedule of contributions dependent on whether members accept a change to benefits by the end of February 2022. Compared to the 2018 valuation, the dual rates comprise a small increase to contribution rates and a longer deficit recovery period, or a more significant increase to contributions and a shorter deficit recovery rate. The first option would result in an increase of £1.3m in the provision for the Obligation to fund the deficit on the USS pension which would instead be £1,970k. This adjustment will be reflected in the College's Financial Statements for the year ended 30 June 2022.

27 Principal subsidiary undertakings

The College owns 100% of the share capital of the following companies:

Company	Principal Activities
Murray Edwards Conferences Limited	Conferencing and Catering
Murray Edwards Developments Limited	Dormant

28 Related party transactions

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

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

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

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

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

From	To	2021	2020
£0	£10,000	9	12
£10,001	£20,000	-	2
£20,001	£30,000	1	1
£30,001	£40,000	3	-
£40,001	£50,000	3	2
£50,001	£60,000	2	-
£60,001	£70,000	-	2
£70,001	£80,000	2	2
Total		20	21

The total Trustee salaries were £547,974 for the year (2020: £470,024)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £168,966 for the year (2020: £131,178).

The College has a number of trading and dormant subsidiary undertakings which are consolidated into these accounts. All subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales.

The College has taken advantage of the exemption within section 33 of FRS 102 not to disclose transactions with wholly owned group companies that are related parties.