

KING'S COLLEGE

CAMBRIDGE



Annual Report & Accounts



Photo: Martin Bond

For the Financial Year 1st July 2020 to 30th June 2021

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Foundation



King's College was founded in 1441 by King Henry VI as "The King's College of Our Lady and Saint Nicholas, in Cambridge". His aim, recorded in our founding documents, was to establish a community of poor scholar clerks within the University of Cambridge. Since then, the College has worked to fulfil its responsibilities as a place of education, religion, learning and research and to play its part in advancing the University.

As both society and the academic world have changed, so the means we need to adopt to achieve this end have changed. We have endeavoured to maintain all that is valuable in our heritage and to grow and develop to meet new challenges. Those challenges have been especially acute during the past two years as we dealt with the COVID-19 pandemic.

In meeting those challenges, we have relied on the support and generosity of those who share our aspirations. Donors, starting with our Founder and continuing up to the present day, have enabled us to explore new ideas and find new ways to deliver our core purposes. The College remains deeply grateful to them.

The College also depends on its students, staff and Fellows. It is through selecting the most able applicants to study at the College, and by supporting them through their studies, that we maintain our academic health. Making that selection fairly and taking due account of the potential applicants show is very challenging, especially as the educational environment in the country changes. Nonetheless, it is crucial that we are successful in maintaining our academic standards. The Fellowship is responsible for the leadership for the College. The Provost and Fellows form the Governing Body and determine the College's role as a self-governing academic institution. Fellows teach and provide pastoral support to students; conduct research; and manage the administration of the College. Finally, the College community as a whole relies on the expertise and commitment of our staff. They serve the College well and enable us to work and thrive as a community.

These accounts set out the progress of the College over the financial year from 1st July 2020 to 30th June 2021. It aims to set out the purposes and aspirations of the College as well as recording our financial results. Those finances enable us to protect and enhance our key purposes in education, religion, learning and research.

THE GOVERNING BODY

Provost

Professor Michael Proctor

Fellows

Dr Zoe Adams
Dr Ronojoy Adhikari
Dr Tess Adkins
Dr Sebastian Ahnert
Dr Mark Ainslie
Dr David Al-Attar
Dr Anna Alexandrova
Professor John Arnold
Dr Nick Atkins
Professor Gareth Austin
Professor William Baker
Dr Amanda Barber (to 30.09.20)
Dr John Barber (to 26.06.21)
Professor Michael Bate
Dr Andreas Bender (to 01.04.21)
Dr Alice Blackhurst
Professor Richard Bourke
Dr Mirjana Bozic
Dr Angela Breitenbach
Professor Jude Browne
Professor Nick Bullock
Dr Katie Campbell (from 01.10.20)
Dr Matei Candea
Dr Keith Carne (First Bursar)
Professor Richard Causton
Mr Nick Cavalla
The Rev'd Dr Stephen Cherry (Dean)
Dr Maurice Chiodo
Dr Francesco Colucci
Dr Sarah Crisp
Dr Laura Davies
Professor Anne Davis
Professor Peter de Bolla
Dr James Dolan
Professor John Dunn
Professor George Efstathiou
Professor Bradley Epps
Dr AYTEK Erdil
Dr Sebastian Eves-van den Akker
Professor Khaled Fahmy
Dr Elisa Faraglia
Professor James Fawcett
Professor Iain Fenlon
Dr John Filling
Dr Timothy Flack (Senior Tutor)
Dr Freddy Foks
Professor Robert Foley

Dr Dejan Gajic (to 15.04.21)
Professor Matthew Gandy
Dr Chryssi Giannitsarou
Lord Tony Giddens
Dr Ingo Gildenhard
Professor Christopher Gilligan
Professor Simon Goldhill
Dr David Good
Dr Caroline Goodson
Dr Tim Griffin
Professor Gillian Griffiths
Professor Ben Gripaios (to 22.11.20)
Professor Mark Gross
Dr Henning Grosse Ruse-Khan
Dr Aline Guillermet
Dr Cesare Hall
Ms Lorraine Headen
Professor John Henderson
Dr Felipe Hernandez
Dr Kate Herry (from 01.10.20)
Dr Ryan Heuser
Dr Myfanwy Hill (from 01.01.21)
Dr David Hillman
Dr Stephen Hugh-Jones
Professor Dame Caroline Humphrey
Professor Herbert Huppert
Dr Alice Hutchings (from 01.10.20)
Professor Martin Hyland
Mr Daniel Hyde
Mr Philip Isaac (Domus Bursar)
Professor Mark Johnson
Mr Peter Jones (Librarian)
Professor Richard Jozsa
Dr Aileen Kelly
Professor Barry Keverne
Dr Joanne Kusiak
Professor James Laidlaw
Professor Richard Lambert
Professor Charlie Loke
Professor Sarah Lummis
Professor Alan Macfarlane
Dr Marwa Mahmoud
Dr Cicely Marshall
Professor Nicholas Marston (Vice Provost)
Professor Jean-Michel Massing
Dame Judith Mayhew Jonas
Dr Naomi McGovern
Professor Dan McKenzie
Professor Cam Middleton
Dr Jonah Miller (from 01.10.20)
Dr Fraz Mir (from 01.10.20)
Dr Perveez Mody

Professor Geoff Moggridge
Dr Kamiar Mohaddes
Dr Ken Moody
Dr Basim Musallam
Dr Johannes Noller (from 01.10.20 to 01.02.21)
Dr Rory O'Bryen
Dr Julienne Obadia
Dr Rosanna Omitowaju
Professor Robin Osborne
Dr Tejas Parasher
Dr John Perry
Dr Adriana Pesci
Professor Chris Prendergast
Dr Surabhi Ranganathan
Dr Ben Ravenhill (from 01.10.20)
Professor Robert Rowthorn
Professor Paul Ryan
Professor Hamid Sabourian
Professor Jason Sharman
Dr Mark Smith
Dr Michael Sonenscher
Dr Sharath Srinivasan
Professor Gareth Stedman Jones
Dr Erika Swales (to 25.06.21)
Dr James Taylor
Mr James Trevithick
Professor Caroline van Eck
Dr Bert Vaux
Dr Jamie Vicary (from 01.10.20)
Dr Rob Wallach
Dr Darin Weinberg
Dr Godela Weiss-Sussex
Dr Tom White
Professor John Young
Professor Nicolette Zeeman
Dr Edward Zychowicz-Coghill (from 01.10.20)

Members in statu pupillary

Ms Eunice Adeoyo (to 31.12.20)
Mr Stephane Crayton (to 31.12.20)
Mr Edward Everett (to 31.12.20)
Ms Estella Nouri (to 31.12.20)
Ms Eve James (from 01.01.21)
Mr Adam Motloch (from 01.01.21)
Mr Alex Provost (from 01.01.21)
Mr Nathan Roundy (from 01.01.21)

COUNCIL, OFFICERS AND ADVISORS

Address

King's College
King's Parade
Cambridge CB2 1ST

Registered Charity Number

1139422

Charity Trustees (Members of Council)

The Provost
Dr Zoe Adams
Dr Ronojoy Adhikari (to 31.12.20)
Dr Mark Ainslie
Dr Mirjana Bozic (to 31.12.20)
Dr Matei Candea
Dr Laura Davies (to 31.12.20)
Dr James Dolan
Professor John Dunn (from 01.01.21)
Professor George Efstathiou (to 31.12.20)
Dr Tim Griffin (from 01.01.21)
Professor Gillian Griffiths (from 01.01.21)
Ms Lorraine Headen (to 31.12.20)
Professor Caroline Humphrey (to 31.12.20)
Dr Ken Moody (to 31.12.20)
Dr John Perry (from 01.01.21)
Professor Jason Sharman (from 01.01.21)
Dr Sharath Srinivasan (from 01.01.21)

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Ms Eunice Adeoyo (to 31.12.20)
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Ms Eve James (from 01.01.21)
Mr Adam Motloch (from 01.01.21)
Mr Alex Provost (from 01.01.21)
Mr Nathan Roundy (from 01.01.21)

Senior Officers

Provost: Professor Michael Proctor
Vice Provost: Professor Nicholas Marston
Senior Tutor: Dr Tim Flack
Dean of Chapel: Rev'd Dr Stephen Cherry
Director of Development: Ms Lorraine Headen
First Bursar: Dr Keith Carne
Domus Bursar: Mr Philip Isaac

President KCSU: Ms Eunice Adeoyo (to 31.12.20)
President KCSU: Ms Eve James (from 01.01.21)
President KCGS: Mr Edward Everett (to 31.12.20)
President KCGS: Mr Nathan Roundy (from 01.01.21)

PRINCIPAL PROFESSIONAL ADVISORS

Actuaries

Cartwright Consulting
Mill Pool House
Mill Lane
Godalming GU7 1EY

Auditors

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

Solicitors

Petersfield LLP
20 Station Road
Cambridge CB1 2JD

Barr Ellison
39 Parkside
Cambridge CB1 1PN

Property Managers and Valuers

Bidwells
Trumpington Road
Cambridge CB2 2LD

Savills
Unex House
132-134 Hills Road
Cambridge CB2 8PA

Investment Advisors/Managers

Cazenove Capital
31 Gresham Street
London EC2V 7QA

Bankers

Barclays Bank Plc
9-11 St Andrew's Street
Cambridge CB2 3AA

Report of the Council

COVID-19

Last year the pandemic upset our financial plans with a very significant fall in income. Although the pandemic has continued, we have been able to make some progress towards normal operation. We are still facing significant difficulties but we are becoming better at dealing with them and planning for recovery.

Unlike last year, most of our students were able to be in Cambridge and to continue with their studies. They and all of us faced restrictions on what was permitted and most lectures and supervisions were online. The College arranged for weekly pooled PCR tests for households of students living in College and this proved effective at limiting the spread of COVID-19. Despite that, many of the social and cultural activities that would usually take place were not possible. Catering tried to find alternatives, creating gift packages at weekends, but students had a difficult and very restricted time. We hope and expect things to be better this year with most teaching taking place in person and social events resuming in a careful and safe manner. The great majority of our staff and Fellows are now back in College. We are, of course, dependant on the spread of COVID-19 remaining under control and we have contingency plans in case circumstances deteriorate.

The University and Colleges have worked together to try to deal with the pandemic as well as we can. There has been good and effective co-operation with a strong desire to protect the most vulnerable. The Vice-Chancellor, Stephen Toope, provided excellent leadership and a “Gold Team”, with representatives from the University and the inter-collegiate committees, provided advice and guidance throughout. That has certainly made our task within the College easier.

We did not believe that it would be possible, or prudent, to aim for a balanced budget for 2020/21 because of the exceptional circumstances. Instead, we set a budget that anticipated a gradual recovery of income and tried to keep expenditure as low as we reasonably could without causing lasting damage. The Governing Body therefore agreed an operational budget with a predicted deficit of £1.343 million. We were also very conscious that this budget was far less certain than it would be in normal times. The recovery has been slower and less certain than we had hoped or expected, leading to further losses. We eventually achieved a deficit on our management accounts of £2.175 million. In the circumstances I believe that this is a good outcome. The performance of our investments helped offset these losses.

While the educational parts of our operation were able to resume, albeit in a restricted manner, there was a large fall in income. Tourism and catering for external events both became impossible. In normal years, each of these would have brought in a very considerable income. There were some corresponding savings that arose, especially as temporary, casual staff were not required and the furlough scheme helped us. We were careful, however, not to lose our valued permanent staff.

The College relies heavily on the skills and dedication of our staff. It was that which helped us keep the losses in 2020/21 to reasonable levels. Hence, we do not want to

lose valued members of staff if there is a reasonable expectation that they will be needed in the future, when life returns to normal. There was also a strong sense from the Governing Body that we did not want our staff to suffer more than necessary in these difficult times. So, the College did not make any staff redundant because of the pandemic and continued to pay full salaries to staff who were on furlough. It is also the case that our staff have shown great flexibility and dedication in responding to the changing circumstances.

The College Council and Finance Committee discussed at length our future financial plans. It was agreed that we should look for a recovery of our finances over a longer period. So, the budget set for 2021-22 would continue to show a deficit but we would prepare outline budgets for later years that would show how the College might recover and use future surpluses to strengthen its reserves. That would enable us to be resilient to meet future challenges such as the pandemic. These plans can only be tentative for the future but they give us some confidence that we can rebuild and gather the resources we need to pursue our purposes imaginatively and well.

This planning led the Governing Body to agree a budget for 2021-22 with a deficit of £1.392 million. The longer-term plans show us achieving reduced deficits for 2022-23 and 2023-24 and then we move back into operational surpluses from 2024-25. From the model, the accumulated deficit due to the pandemic will still amount to £2.92 million by 2027.



Education

The College provides, within the University of Cambridge, an education for around 650 undergraduate and graduate students that is recognised internationally as being of the highest standard. This education develops students academically and more broadly prepares them to play full and effective roles in society. The College aims to attract as undergraduate and graduate students such persons as are best fitted to take academic advantage from the education it offers, regardless of gender, sexual orientation or educational, social, ethnic, or personal background. It devotes a major part of its resources, both financial and personal, to the task of selecting students from the widest range of backgrounds as it can, and supporting them through their studies. All decisions as to membership of the College are made by the College.

The education of junior members reading for undergraduate degrees is overseen by the Senior Tutor. The academic studies of each undergraduate member of the College are overseen by a Director of Studies and Tutor. Directors of Studies are responsible for organising supervisions and other classes for each undergraduate reading for the specific Tripos examinations for which they are severally responsible. College teaching is designed to complement the lectures and other classes provided by the University. To supervise undergraduate students the College employs persons fitted by their learning to do so; these are normally Fellows of the College, Fellows of other Cambridge colleges, and those holding post-doctoral positions or reading for a graduate degree within the University. The Fellows of the College responsible for teaching junior members either hold University teaching and/or research posts or have been appointed to Fellowships on the basis of their distinction as teachers and/or researchers. The College appoints Tutors to oversee the educational progress and the general well-being of all undergraduate students studying the subjects for which they are severally responsible, and to represent their pupils, where necessary, in formal dealings with the University. In their care for the general welfare of the junior members of the College, the Tutors enjoy the assistance of the Lay Dean and the Chaplain, as well as other support services provided by the College Nurse, the Cognitive Behavioural Therapist and Mental Health Advisor.

The education of junior members reading for graduate degrees is chiefly the responsibility of Faculties and Departments, who appoint academic supervisors. The College receives reports from the academic supervisors and provides such academic and other support as the Senior Tutor and the Tutors for Graduate Studies consider appropriate. All graduate students enjoy the support of a Graduate Tutor, who as well as being there to provide pastoral support, also facilitates a rich academic and social environment through organising seminars and social events.

In terms of College governance, the Senior Tutor reports regularly to the Education Committee, the College Council and to the Governing Body on the academic performance of junior members of the College, as well as all matters relating to the provision of education, and student support which enables our students to take full advantage of everything King's, and the University, has to offer.

Most junior members of the College live in College accommodation. It is College policy that charges for accommodation should be comparable to those in other competitor universities. In order to facilitate access to undergraduate and graduate education regardless of financial circumstances, the College offers financial support on the basis of need. This is done through the Cambridge Bursary scheme and through our own hardship funds. In addition, research studentships, undergraduate scholarships, and prizes are awarded on the basis of academic excellence.

The academic year 2020/21 has been a very tough year for all at King's, but particularly for our students, especially those leaving home for the first time. In order to comply with Government legislation, and DfE guidance, the College had to create a framework to manage the risk of COVID outbreaks. That included things like dividing our students into households within their accommodation; providing teaching, and other essential meetings, remotely; carrying out risk assessments, and limiting capacities on our communal spaces; managing periods of self-isolation for students who either contracted COVID, or had been in contact with a confirmed case. An additional Assistant Tutor was brought in to help with this, as well as a COVID Coordinator, and we received support from staff in other areas who were redeployed to help with the impact of the pandemic on our students.

For periods of the pandemic when the country was in lockdown, there were minimal opportunities for students to leave their households and to socialise. Admissions was carried out entirely online, and with a few exceptions examinations were taken remotely. Many students required financial support for COVID-related hardship, particularly our overseas students who were faced with the additional expenses of COVID tests and quarantine costs. Despite all of these difficulties, our students acquitted themselves incredibly well, achieving a very high proportion of Firsts and 2.1s. However, a few students really struggled with living under pandemic conditions despite all of the support on offer, and this was reflected in their results. However, with the relaxation of COVID restrictions, we expect things to be greatly improved in the coming year.

Religion

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

- Maintains and supports the Chapel as a place of religious worship and holds a variety of religious services during term, which are open to the general public and visitors.
- Maintains its choral tradition, which is integral to the provision of Divine Service in its Chapel, through the College's Choir. This choir includes both Choral Scholars, who are students, and Choristers, who are pupils of King's College School.
- Supports, through the College Dean and Chaplain, the emotional, mental and spiritual well-being of all members of the College community whatever their faith.
- Maintains its historic connection with the work of the Church of England, particularly through its involvement as Patron of over 20 parishes.

The Founder's Statutes of 1443 require the College to provide for and conduct Divine Service in the College Chapel and to maintain a choir. The Choristers are members of the College and the College is responsible for their education and training. This tradition, established by Henry VI at the foundation of the College, has been continued ever since.

Learning

Some of the Library and Archives staff were furloughed intermittently during 2020/21. During the lockdown, the Library was able to continue many of their services remotely with some working on site to support the students in residence. Students were allowed to study in the library during the Michaelmas and Easter terms and the long vacation, but the archives remained closed to non-King's researchers for the entire year.

The College Library is a first port of call for junior members of the College as a repository of books and information, and its archives, rare books and manuscripts provide a major resource for scholarship, both for members of the College and for scholars from outside the College. The number of loans for the year totalled 10,714 from the total stock accessible via the online catalogue of 119,301 books. Catalogue records from the Library are uploaded to the iDiscover Catalogue of the University Library and it is possible to access the catalogue directly from the College website.

During the year, 5 readers (3 of them new) made 10 visits to the Archives reading room, 54 documents were retrieved for visitors and 1,975 enquiries answered by email or post. There were no in-person exhibitions given this year. The Fellow Librarian is the College's designated Freedom of Information Officer and the archivists assisted him in complying with the College's obligations under the Act, compiling answers for 65 enquiries within the framework of the Act; they also responded to 5 individuals' subject access requests under data protection legislation and monitored developments after the Brexit transition period ended. The archivists also oversee the College's records management programme, which ensures that the College meets its statutory obligations and determines what information should be kept for the sake of future researchers, as well as for administrative requirements.

Research

The College provides an intellectual and social environment that fosters research at the highest level, and offers a fertile ground for interdisciplinary approaches. Each year, the College appoints a number of Research Fellows. In 2020/21 four stipendiary Research Fellows were elected: one, part-funded by a donation from the Mellon Foundation, to work on Slavery and its Impact; one in Engineering Sciences; one, wholly funded by a donation to the College, to work on the history and cultures of the countries of the Silk Roads; and finally, following the discovery of an early Medieval cemetery in Barton Road the College elected to a Research Fellowship in Late Roman and Early Medieval Archaeology of Britain. A further non-stipendiary Research Fellowship was elected to work in the Biological and Medical Sciences.

The College also appoints as College Research Associates a number of post-doctoral researchers who have funding from other sources, with limited dining rights and a small research allowance, for two years (renewable). In 2020/21, the College appointed four College Research Associates in the Sciences together with three in the Arts. The College also renewed for a further two years four College Research Associates who had come to the end of their initial two-year term.

In addition, the College appoints non-stipendiary visiting Fellows nominated by Fellows and welcomes short-term visitors for academic research. Appointments to visiting Fellowships were duly made but the pandemic has played havoc with the timing of their visit. Any Fellow may apply for a small grant to support his or her research. The College runs international conferences, workshops and seminars annually, organised by Fellows of the College.

School

The College considers that the educational needs of the King's College Chapel Choristers are best served by being educated in a co-educational school that offers a broad and rich curriculum and experience, included within the larger foundation. The Choristers are full boarders at the School in order that they may take part in the routine of services in the Chapel and so they may be selected from the widest geographical pool. The College believes that the best way of balancing the demands of the choral tradition with the need for high quality education is through such a choir school model.

King's College School provides an education for day pupils and boarders, aged 4 to 13. The excellence that describes the long established choral tradition underpins how we approach all aspects of our provision. Working closely in support of the College's values, including the commitment to excellence, creativity, cultural diversity and inclusivity, our pupils are indeed very fortunate to be able to enjoy wonderful facilities and a stimulating curriculum.

In September 2021 we introduced the new Learning Hub, overseen by the Director of Student Learning. The Cresco Division, offering further enrichment opportunities for all pupils, sits alongside the choral training programmes for boys [The Chapel Choristers] and girls [*Schola Cantorum*].

Girls' Boarding was first introduced in September 2020. It has been popular and there are a number of children requesting flexi boarding opportunities on a more regular basis.

Following the completion of the Sports and Cultural Centre in November 2018, we have been delighted to develop our outreach programme and pleased to welcome classes from a local primary school for their weekly PE lessons which are delivered by King's College School staff. We have recently appointed a new Head of Sport Development whose remit includes the extension of our outreach/partnership profile.

We continue to explore possibilities for longer term partnerships with other schools in the local area and abroad, working in support of children's development in music as well as in literacy, numeracy, sport and STEM subject programs. This has not been

easily brought to fruition due to COVID-19 restrictions, which although slightly less robust, are nonetheless still ongoing.

2020/21 would be another very different academic year. In the Michaelmas Term children were permitted to be in school, albeit in strictly controlled bubbles, but by January 2021 we were once again in lockdown. In-school provision was only available for vulnerable children and/or those whose parents are keyworkers. Once again we offered a full provision of all parts of the curriculum and co-curriculum online. Once on-site lessons resumed for all pupils, we continued to live-stream to all those not able to return into School. Throughout the summer we continued to offer holiday camps, some run by the school and some operated by an external organisation who hire our facilities.

We have been delighted to celebrate the successes of so many of the Year 8 cohort in gaining entry to their senior schools, with 29 scholarship awards.

Despite the uncertainty of the pandemic, pupil numbers have remained reasonably steady in all classes. In addition to the Chorister Scholarships, the School offers a means-tested bursary for pupils applying from local primary schools at age 7. We continue to explore options for establishing a Bursary Fund, which we hope will ultimately be an investment of sufficient capital value to support more children in attending King's College School. In 2021 we shall apply a small bursary in support of those who are member of the girls' choral programme, *Schola Cantorum*.

Buildings

We had planned to do a large amount of building work over the year. While the pandemic has made this harder, we have still proceeded. Indeed, the lockdown has enabled us to carry out works with less concern about disruption to our members. The Clerk of Works has been very busy and remarkably successful in advancing these projects, despite the difficulties caused by lockdown restrictions, and all of the projects are progressing well.

The renovation and extension of Garden Hostel was delayed by the lockdown but completed before Christmas. Work at Croft Gardens has continued rapidly and well. The work there is due to complete in May 2022 ready for occupation in the following academic year. That will also be at the *Passivhaus* standard for the new buildings. We have also begun major works in the main part of the College. The slate on the roof of the Hall was replaced over the latter half of 2020 with photovoltaic panels added to the southern slope. Unfortunately, we discovered faults in the chimney stacks on the Wilkins Building (above A Staircase) that needed masonry repairs and these delayed the striking of the scaffold. The second half of the rooms in the Keynes Building were renovated over the summer. This has allowed a major improvement to the quality of those rooms but also allowed us to improve their efficiency significantly, including modern communal kitchens and dining areas. Finally, the quality of the work replacing the Collyweston slates on the roof of Bodley's Court last year has been recognised at the Annual British Roofers award ceremony, with the roof being judged the best overall roof across all categories.



Development

- Funds raised in 2020/21 including pledges: £4,275,473
- Cash received in 2020/21: £8,960,001
- Number of alumni: 9,646
- Number of addressable alumni: 8,894
- Number of alumni who made a gift: 1,007
- Participation rate: 11.3%
- Number of alumni and development events in FY (including digital events): 31
- Total number of attendees at these events: 3,774
- Volunteers: 76
- Social Media following:
 - King's College Twitter: 12,100 Followers
 - King's College Facebook: 14,385 Fans
 - King's College Instagram: 11,000 Followers
 - King's College Choir Facebook: 132,000 Fans
 - King's College Choir Twitter: 12,200 Followers
 - King's College Choir Instagram: 19,500 Followers

To align with the Collegiate University's Campaign, we take 2011/12 as the start of the silent phase of our fundraising Campaign. We launched the public phase of the King's Campaign on 1 December 2018 with a target of £100 million. From 1 July 2020 to 30 June 2021, we raised a total of £4,275,473 in new philanthropic gifts and received cash in of £8,960,001: which gives a Campaign running total of £75,561,742.

Work on the new philanthropically funded College accommodation for graduate students, postdocs, and Fellows produced one of this year's most exciting pieces of news - the discovery of a large early medieval cemetery on the site of the Croft Gardens development on Barton Road. Archaeological work completed just before Christmas uncovered around 70 burials from the 5th, 6th and 7th centuries (CE), along with numerous grave goods. The findings are significant, and the College is appointing a new four-year Research Fellow in Late Roman and Early Medieval Archaeology of Britain to learn as much as we can from it.

The College has long believed in the importance of fair access and academic excellence. Building on the funds for additional student support generated from the new accommodation at Cranmer Road and the continuing generosity of our alumni and friends towards our Student Access and Support Initiative (SASI) launched in 2018, we are now piloting new programmes to support disadvantaged students at key points along their educational journey from sixth form through to their time at King's as undergraduate and graduate students. These funds are allowing the College to be ambitious and to break new ground in supporting and encouraging talented students of all backgrounds.

Student hardship has been greatly exacerbated by the pandemic making increasing demands on the Supplementary Exhibition Fund (the SEF), which is expendable and allows us to use the capital in difficult times. However, this is our most vital student support fund, making awards of all sizes to the majority of our students; we need to replenish it each year and hope to attract funds to sustain it for the longer term. The SEF is the focus of our annual Telephone Fundraising Campaign (TFC). The TFC 2020 held in early December was a great success raising £213,380 for student support, with alumni and our student callers having had so many enjoyable conversations, perhaps even more so than usual given the challenging year. We sincerely thank all those who gave and engaged so positively with our callers.

Alongside the TFC we launched our first email campaign to raise funds for student support, with a particular emphasis on graduate hardship. Closures of laboratories, libraries and research spaces in lockdown earlier this year have meant studies put on hold and research and fieldwork having to be abandoned or postponed. Those PhD students who are unable to complete in time are likely to overrun their funding period and find themselves in real financial difficulty. A recent survey of our graduate students in King's has shown that many are under a great deal of financial strain at a time when they need to do their best work, which is leading to welfare and mental health problems too. A total of almost £50,000 was donated from alumni and friends which is now helping those in greatest need, and we are indebted to them for their generous and fast response to our call for action.

A generous gift from the Gatsby Charitable Foundation has established a new summer research bursary programme for King's undergraduates, aimed at inspiring talented science students from disadvantaged backgrounds to think about going on to a PhD and further research. The Gatsby Summer Internship Programme for the Sciences offers King's undergraduates in the early and middle years of their degree the opportunity to work with a King's Fellow or University academic on a focused research project for a 6–10-week period over the summer vacation. The College has created a parallel programme for the Arts and Humanities, and for those students who do not qualify for the Gatsby scheme. The first year was hugely popular. A King's undergraduate research conference is being arranged for late October 2021 to showcase the posters produced by the participating students and Fellows, and to share the projects with the wider student audience and encourage sign up for the next year's programme.

A significant gift from an alumnus to support 'innovation' at King's was inspired by our digital event 'Global Perspectives', the growing interest in entrepreneurship across the College, the success of the Entrepreneurship Competition, and the long history of entrepreneurship at King's. The King's Entrepreneurship Lab has been created (virtual in the first instance) with a new training course open to all students at King's, which could lead to seed funding being awarded to two of the most promising business ideas; a seminar series; and an entrepreneurship in residence programme. It will complement the Entrepreneurship Competition and a Senior Advisory Committee has been formed to advise and evaluate the progress of the Lab. This is unique in the collegiate university and is offering wonderful new opportunities to our students.

Two King's Fellows have also been extremely generous and creative with their donations this year. One gift has established a new fund to enable students from economically disadvantaged backgrounds to make the most of their educational opportunities at Cambridge, from when they first accept their offer through to when they graduate. The fund is particularly aimed at helping students who are refugees or the children of refugees, students from under-represented backgrounds and those who are the first in their immediate family to go to university. Another Fellow made a gift to support post-COVID entertainment as a way to help rebuild the damage caused by the pandemic to the life of the College as a community, and a further gift and pledge towards graduate studentships, with a preference for awards to be made to students whose own parents did not go to university.

Many of our new donations have been made by non-King's alumni, which include support over the next three years will provide financial aid and scholarships to home and overseas postgraduate students in any subject; a joint gift to King's and to the Economics Faculty to pilot a dynamic new research programme in the Economics of Inequality; a significant gift to support the Director of Music's work with the Choir; and a thoughtful donation towards refurbishing the fountain in the Front Court.

One of the silver linings to the pandemic is that we had to learn new ways of working and acquire new skills. Our move from in-person events to online events was slightly daunting at first, but the Events Team soon became experts and designed 31 digital events across the year, with around 3,775 attendees from across the globe.

The Communications Team has continued to play a key role throughout this challenging year. Among a myriad of other things, the Team has been heavily involved in all aspects of the King's COVID-19 communications and logistics, dealt with press enquiries, produced weekly 'internal' newsletters sent to students, staff and Fellows; and regular alumni newsletters that have been sent to more than 9,000 alumni around the world keeping them abreast of the latest College news and plans. The increased number of followers on each of our social media channels is a testament to the impact of their work. The Label and Media Manager, is co-opted to this group and manages the Chapel and Choir communications and social media; the Choir has the greatest following of all.

The College is registered with the Fundraising Regulator. No complaints about its fundraising activities were received.

Structure, Governance and Management

King's College (formally "The King's College of Our Lady and St Nicholas in Cambridge") was founded in 1441 as one of the constituent colleges of Cambridge University. It endorses the University's aims and endeavours to work with the University and other Colleges to further those aims. So, its principal aims are to support education, religion, learning and research. The College is a charitable corporate body established by Royal Charter with perpetual status and recognised under Common Law. It is also registered as a charity, number 1139422.

The College is governed in accordance with statutes, approved by Order of Her Majesty in Council. The statutes of the University of Cambridge and specific legislation covering the University of Cambridge apply to the College. The Visitor of the College is the Bishop of Lincoln.

The College is governed by the Provost and the Fellows of the College who, together with four resident members of the College *in statu pupillari*, constitute the College's Governing Body. The Provost is responsible for 'general superintendence over the affairs of the College' and presides over congregations of the Governing Body. The administration of the College is devolved to the College Council, and reported to the Governing Body. There are also further committees provided for by statute and ordinance or established from time to time by the Governing Body or the Council.

Corporate Governance

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

1. The College is a registered charity (registered number 1139422) 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.
2. Council reports to the Governing Body, which consists of the Provost, the Fellows and four student members. The Council and the Governing Body are advised and supported by a number of committees: the Adornment Committee, Audit and Scrutiny Committee, Buildings & Safety Committee, Catering Committee, Chapel Committee, Choir Strategy, Church Patronage Committee, Computing & Website Committee, Development Committee, Education Committee, Fellows' Remuneration Committee, Fellowship Committee, Finance Committee, Gardens Committee, Investment Committee, Library Committee, Personnel Committee, Research Committee, Studentship Electors, Visitors Committee, Wine Committee.
3. The Governing Body appoints the Finance Committee and the Audit and Scrutiny Committee. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls. The Finance Committee reports to Council, which proposes budgetary and financial controls to the Governing Body. The Governing Body appoints the Audit and Scrutiny Committee to act as internal auditors. It advises on the appointment of external auditors; considers reports from those auditors; monitors the implementation of recommendations; and make an annual report to the Council and the Governing Body.
4. There is a Register of Interests of all members of the Governing Body. The College maintains a Conflicts of Interest Policy and systematically requires declarations of interest at all meetings of College committees.

Statement of Internal Control

1. The Council is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.
2. 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.
3. 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 2020 and up to the date of approval of the financial statements.

Risk Assessment

King's College has a statutory duty to support education, religion, learning and research. In pursuit of this duty, it is prepared to accept risks. For example, the process of selecting students, and engaging in research will always entail risks but these are risks we must undertake. It also accepts that it needs to take investment risks in order to achieve the return required for its continuing operation. The College will attempt to minimise all risks that are not essential for its core purposes. In particular, it will attempt to minimise the overall risk of safety to members of the College and the public; of financial loss due to inappropriate financial controls; and of reputational damage.

Each year the College's Finance Committee and Council assess the risks the College faces and the steps that we can take to mitigate those risks. In the financial year 2020/21, as in 2019/20, our main concern has been the pandemic. We have worked with staff and students within the College to try to keep all safe and to support those in need. We have also worked with the University to operate in a safe and consistent manner and to ensure that all Colleges and Departments survive these challenges. Within the College, our greatest risk is balancing the immediate needs with our responsibilities to future generations. The Governing Body considers that the current, exceptional circumstances require us to spend more than our income for a brief period so that we protect the College and do not cause irremediable harm to our structure and purposes. Nonetheless we require a clear plan to restore our finances and sustain normal operation. We will still ensure that funds are spent appropriately and that we move rapidly back to a balanced budget where we can rebuild our endowment. We aim to do that while minimising the pain caused to our students and staff.

Because of the uncertainty surrounding the pandemic and how it will affect the College and the country, we have continued to model a variety of scenarios and considered how we would need to react to them. We have done that in conjunction with the University and other Colleges. We plan to continue to do this as a protection against the risks we face.

Of particular concern to the College and its School are the risks to children and vulnerable adults. Our policies on safeguarding are designed to ensure that appropriate care is taken to protect them.

Council considers that it is exercising appropriate management of its activities and the associated risks.

Financial Review

Scope and Accounting Policy

The consolidated financial statements incorporate all of the activities of the College including those of the School, the trading activities of King's College Cambridge Enterprises Limited and KCS Facilities Limited, and the renovation and construction activities undertaken by King's College Cambridge Developments Limited. Together, these entities comprise the Group. References to the College in the Financial Review below refer to the results of the Group.

The accounts are prepared to show a true and fair view. The College brought in a new form of accounts in 2015/16 because of the adoption of Financial Reporting Standard 102. This change affected all Higher Education organisations including Cambridge Colleges. On page 40, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £34,014k (£5,909k deficit in 2019/20). The SOCIE is a statement of all movements of the net assets of the College between one year and the next. Therefore, it reports all operating income and expenditure, investment gains and losses, and adjustments for pensions and other matters. The large surplus in the year is due to investment gains in the year. The boxed section on page 40 is, in effect, the operating result as reported for the year and it is this figure that the College seeks to control through its budget although the management accounts do not include the pension provision and unrestricted donations. Therefore, the College reported a deficit of £1,890k for 2020/21 compared to a surplus of £632k for 2019/20. The deficit is due to the impact of the COVID-19 pandemic in the year.

Income

The College funds its activities from academic fees, charges for student residences and catering, the income from its conference and catering business, visitors, its invested endowments, and from donations and legacies. The future funding of Universities remains uncertain with the Government yet to explain its intentions over research funding or student fees. Moreover, we remain concerned about the need to support applications from a wide variety of backgrounds and support for those who are admitted to study here. King's College is proud of its ability to attract applicants and we provide good support, financial and pastoral, to those students. Nonetheless, this is an area that requires new and imaginative ways to ensure that we sustain the quality of our students and give them the opportunity to thrive. Already, a large proportion of our expenditure is devoted to that end and this amount is likely to increase further as we explore more effective and appropriate ways to fulfil our aims. This is also an area where the College has received very generous donations and continues to do so, allowing us to be imaginative in exploring different approaches.

The great majority of our expenditure is to support education and research. The cost of education, for both undergraduates and graduates, exceeds the income we receive from fees. In common with other Colleges, we assess each year the full cost of education to compare this with the fee income. For the academic year 2020/21, the

cost of undergraduate education for the College was £11,716 per student compared to average College fees of £4,625. The cost of a graduate education for the College was £10,875 per student compared to average fees of £4,000. In both cases, the costs falling to the University are excluded.

The College continues to try and increase income. Academic fee income was up overall by 2.4% due to a 5.7% increase in Undergraduate fee income that was partly offset by a 7.2% decrease from Graduate fee income. Home/EU undergraduate numbers remained the same at 386 students and the privately funded and overseas undergraduate numbers increased from 50 to 58. Graduate numbers were down by 20 due to the pandemic (from 189 to 169). In addition, the graduate fee and the fee for privately funded and overseas undergraduates increased 4% and 10% respectively. The fee for Home/EU undergraduates was unchanged. Other Academic and Research Income decreased 6.2% in 2020/21 due to a decrease in the receipts from the University in respect of the Cambridge Bursary Scheme.

College Members' Accommodation income was impacted by the pandemic but it was only down 4.4% on 2019/20 because there was the full closure of the College in the Easter Term 2020. Third Party business practically ceased in 2020/21 due to COVID-19. Third Party Accommodation was down 90% on 2019/20 and Third Party Catering down 98.3%. College Members' Catering (including internal sales) was down 44.0% and overall income from Residences, Catering and Conferences was down 46.2%, a £1.88 million decrease on 2019/20 and a £3.33 million decrease on 2018/19.

Investment Income decreased 4.5% in 2020/21. This included a 4.6% fall in the spending rule income that came about from a 25% fall in the retail investment properties values at 30 June 2020. The spending rule income is calculated at 3.35% of the average endowment value for the previous three years (30 June 2018, 30 June 2019 and 30 June 2020). Royalty income was down 27.4% (£73k) on 2019/20 but this was due to the large fees received in 2019/20 in respect of E.M. Forster rights for a *Howards End* play and a *Maurice* film. In 2013/14 the College borrowed £15 million for periods of 30 to 40 years (see Note 18). This has been invested in the College Amalgamated Investment Fund and at 30 June 2021 the net assets, after interest payments, amount to £17.39 million.

Tourist Admissions income fell by 92.4% in 2020/21 and the Visitor Centre sales were down 87.1%. The 2019/20 figures included the College closure from March 2020. Overall, total turnover from Tourist Admissions and Visitor Centre sales was down £2.4 million on pre-pandemic levels. Other Income for 2020/21 includes £744k from the HMRC's Job Retention Scheme for staff furloughed (£510k in 2019/20). There were no Choir Tours or Chapel Concerts in 2020/21 and lost income was matched by similar falls in expenditure as operations ceased.

Expenditure

The College tries to maintain the real value of its endowment and to this end, the Investment Committee is asked to assess the expected real rate of return on our investments so we know what is available to spend. Their current assessment is that we can spend 3.35% of the endowment. This is averaged over three years to reduce

variation. This amounted to £6.12 million in 2020/21 (£5.76 million in 2019/20). The increase is because the investments from the original £15m Project Tintagel loan were brought into the College's Amalgamated Fund in 2020/21. Adjusting for the dividends from the Project Tintagel units in the Amalgamated Fund, the spending rule income is down 2.2% in the year as mentioned in the income section above. Endowment income from the spending rule represents a significant part of our overall expenditure of £23.4 million. The Investment Committee will consider the spending rule again, in the light of growing concern about investment prospects.

In this year, costs as a whole decreased 2% but there was a £800k USS pension provision credit in 2019/20. Adjusting for this, expenditure fell by 5.3% in the year. This is largely due to the pandemic but the relatively small fall is because the College closed for one term in 2019/20 and operating expenditure fell away as activities ceased. Staff costs increased by 5% in the year but after adjusting for the USS pension credit, staff costs fell by 2%. This can be broken down between a 4.3% decrease in College wages and a 2.6% increase in School wages. These salary figures exclude the income from the Job Retention Scheme that was received for furloughed staff in the year. This totalled £744k for the College (£510k in 2019/20) and £93k for the School (£185k in 2019/20). College operating expenditure (excluding the School) decreased by 13.1% in the year because expenditure levels decreased significantly because of the pandemic.

Capital expenditure, particularly on buildings, varies dramatically from year to year. This makes it challenging to account for such expenditure and to plan it effectively. We try to do this by setting a depreciation charge in our annual accounts that reflects the average real amount we expect to spend. We also prepare a building plan for the next decade to guide our preparation and delivery of major projects. The total depreciation (excluding the School) was £2,981,083 for the year (£2,912,324 in 2019/20). This is very close to the expected average spend over the next decade. This depreciation charge reflects the costs we expect to face in renovating our existing buildings. There are, however, growing pressures on the College to erect new buildings or adapt existing ones to new purposes. For instance, there is a growing wish to house our graduate students because the rents in Cambridge have grown unaffordable. The depreciation charge will not meet those new needs. Generous philanthropic donations will soon enable us to house our graduates.

Net Financial Performance

As in previous years, the College has continued to support its net spending on education (total education expenditure less College fee income) of £3,786,753 (£4,116,789 in 2019/20) with its investment income. In addition, the net cost of accommodation increased in 2020/21 to £3,252,363 (£2,576,157 in 2019/20) as a result of the loss of student rents and external accommodation income from the pandemic. The net deficit on catering also increased to £1,484,021 (£663,785 in 2019/20). The increased deficit does not include £336k (£185k in 2019/20) that was received from HMRC for catering staff that were furloughed in the year.

The School recorded a surplus of £98,154 for 2020/21 (£260,845 in 2019/20). In addition, the College provided funds for choristership bursaries and bank interest of £388,740 (£415,395 in 2019/20) and the School paid £339,840 in rent back to the College (£341,916 in 2019/20). A total of £128,238 has been transferred to the funds designated for the School within the College reserves (£334,324 in 2019/20).

Capital Expenditure

During the year, capital expenditure including heritage assets was £19,096,733 (£15,781,280 in 2019/20). This includes £18,779,809 for maintenance projects, £35,088 for the School, £160,900 on the chapel including the lighting project and electrical replacements, £16,535 for catering, gardens and shop expenditure and £104,401 for IT. The College maintenance projects includes £401,756 and £411,563 towards the completion of the Cranmer Road and Bodley's projects respectively, £1,571,353 on the Wilkins Hall roof, £4,343,974 for the Old Garden project, £5,735,131 towards the Croft Gardens new-build project and £5,695,083 towards the Keynes refurbishment and the bar. The School's capital expenditure includes £22,861 on IT and equipment and £12,227 on the girls boarding house.

Going Concern

The global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased in March 2020 as the majority of students returned home. Students returned to the College at the start of the new academic in October 2020, but further lockdowns restricted their numbers in the College and many College activities especially our conference/private dining business and visitor admissions. It is unlikely that conference/private dining and visitor income will be able to return to pre-pandemic levels in the near future.

The Trustees have prepared forecasts for the period to 2024 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has made use of the Government Job Retention Scheme. The College also has significant investments which could be realised if required.

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

Investments

When the World Health Organisation declared a pandemic, the stock markets fell sharply and our equity investments fell too. The major markets did, however, recover quickly and our equities are back well above their previous levels. So, the return on our equity investments has been very good with a rise of 21.2% over the financial year.

Unfortunately, that has not been the case with property holdings. In the current circumstances, it is very difficult to let retail properties and consequently very difficult to assess their value. That meant that the property part of our endowment, consisting mainly of retail premises in Cambridge, fell sharply in 2019/20, by about 25%. Our income from the rents on those retail premises has also been affected. Many of our properties are let to small, independent traders. While all retailers have been affected by the fall in customer numbers, those small retailers have less resilience. The College has tried to help them by waiving and deferring rent so we share the pain with them. We have done this because the Investment Committee thinks that it is best to support our existing and successful tenants rather than seeking new tenants in the current, difficult climate. Over 2020/21 there was some recovery but values still remain well below that before the pandemic. The total return on our property holdings in 2020/21 was 7.7%

The Investment Committee has also continued to be concerned about our responsibilities as investors. We hold no direct investments and have pressed the managers of the funds we hold about their approach to responsible investment. The Committee agreed a statement on our aims for investments and this was approved by Council. That statement, published on our website, looks to ensure that we move decisively to more sustainable ways of operating both in our investments and in our operation within the College. Decreasing our reliance on fossil fuels within our historic buildings is challenging but we have made some significant progress. Most of our assets are invested in index funds. The Committee is concerned about how we can exercise our responsibilities as investors through such funds and has actively looked at alternatives as they become available. We, and other Colleges, have worked with Amundi to develop new index funds that track the MSCI World index but take account of ESG concerns and avoid fossil fuel companies. We have now moved £13 million into Amundi's ESG Low Carbon Fund.

Restricted Funds

The spending rules of the permanent restricted funds are contained in each fund's terms as stipulated by the donor. The College aims to spend all income arising in such funds, if the rules permit, and to retain the capital. In 2020/21, all but £304,218 (£444,255 in 2019/20) of the income arising in permanent restricted funds was spent in the year.

The spending rules of the expendable restricted funds are contained in each fund's terms as stipulated by the donor. The College aims to spend all income arising in such funds, if the rules permit, and the College may spend capital from a fund providing it fully satisfies the wishes of the donor.

Reserves

Designated funds are not permitted under the new RCCA guidelines and therefore have been transferred to General reserves. Included within General reserves, the College has designated the ongoing reserves of the School as a separate fund to reflect

the responsibility given to the School Governors by the College. In total the College has £233,242,604 in unrestricted reserves, of which £225,141,322 is represented by fixed assets. Income from our free reserves is a vital part of our revenue expenditure. Hence we intend to maintain this level of free reserves, or to increase it to improve future income.

A handwritten signature in black ink, appearing to read 'T. K. Carne', written over a horizontal line.

Dr T K Carne
First Bursar on behalf of the Trustees
9th November, 2021

Statement of the Responsibilities of the Council and Governing Body

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require that financial statements are prepared for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing those financial statements the Council in conjunction with the Governing Body is required to:

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

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

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

Independent Auditors' Report to the Council and Governing Body of King's College

Opinion

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

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Council and Governing Body

As explained more fully in the responsibilities of the Council and Governing Body statement set out on page 25, the Council and Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council and Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council and Governing Body are responsible for assessing the College's ability to continue as a going concern, disclosing, as

applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

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

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

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

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

Use of our report

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

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 16th December 2021

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

Statement of Principal Accounting Policies

BASIS OF PREPARATION

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 10.

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

Going concern

The global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased as the majority of students returned home in March 2020. Students returned to the College at the start of the new academic year in October 2020 and many College activities have resumed. However, it is unlikely that the conference activity will be able to resume in the immediate future.

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

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

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment assets.

BASIS OF CONSOLIDATION

The financial statements incorporate those of the College, which includes the School, and the College's subsidiaries, King's College Cambridge Developments Limited, King's College Cambridge Enterprises Limited and KCS Facilities Limited.

The accounts do not include the activities of the King's College Student Union and King's College Graduate Society, on the basis that the College does not have control over the operations of these entities.

RECOGNITION OF INCOME AND INVESTMENT RETURN

Academic fees

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

Grant Income

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

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

Donations and endowments

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

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

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

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

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

Investment income and change in value of investment assets

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

Total return

The College operates a total return policy with regard to its endowment assets (including property). Spendable income equivalent to 3.35% of the average endowment for the last three years is included as endowment income and investment management costs are charged against capital.

Other income

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

Cambridge Bursary Scheme

The Cambridge Bursary Scheme (CBS) administration has changed from 2016/17;

- The Student Loan Company (SLC) assesses the students for CBS eligibility.
- The SLC pays the student direct for the CBS payment and then takes the money from the College by direct debit.
- At the end of term, the University provides the College with a list of students and a breakdown of the University and College contributions.

The College has shown the gross payment made to eligible students and a contribution from the University as Income under “Academic Fees and Charges.

The net payment of £160k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£202k
Expenditure	£362k

Foreign currency translation

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

PENSION SCHEMES

The College pays contributions to four pension schemes which provide benefits to its members based on final pensionable salary and one defined contribution pension scheme. The assets of these schemes are held separately from those of the College.

Universities Superannuation Scheme

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

Cambridge Colleges Federated Pension Scheme

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

Actuarial valuations are obtained at least triennially and are updated at each balance sheet date for accounting purposes. The assets of the Scheme are measured at fair value, and liabilities are estimated on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond. The resulting net asset or liability is presented separately after total assets less current liabilities on the face of the balance sheet.

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme which is a statutory, contributory, final-salary scheme. The College is unable to identify its share of the underlying assets and liabilities.

Church of England Funded Pensions Scheme

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

NOW: Pensions

The College also operates a defined contribution scheme NOW: Pensions. This is a UK multi-employer pension fund and the pension charge represents the amounts payable by the College to the fund in respect of the year.

FIXED ASSETS

a. Land and buildings

College land and buildings used for operational purposes (to house College Members) are stated at depreciated replacement cost from 1 July 2014 following a revaluation review carried out by professional valuers, Gerald Eve. Freehold buildings are depreciated on a straight line basis over their expected useful economic lives with a range for the different buildings (excluding the chapel) between 45 years to 115 years. The Chapel is depreciated over 200 years. Freehold land is not shown separately and is not depreciated. Assets under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

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

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

b. Maintenance of premises

The cost of major refurbishment is capitalised and depreciated over the expected useful economic life. The cost of routine maintenance under £10,000 is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

c. Plant, furniture, fittings and equipment

Plant, furniture, fittings and equipment are capitalised at cost. Depreciation is provided in equal annual instalments over the estimated useful lives of the assets, which are as follows:

Plant	20 years
Furniture and equipment	10 years
Computer equipment	5 years

d. Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1st July 2006 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1st July 2006 have been capitalised at cost or, in the case of

donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

INVESTMENTS

a. Securities

Securities listed on a recognised stock exchange are shown at their market value, i.e. the middle market quotation ruling at the close of business on 30 June, translated for overseas investments into sterling at the rates of exchange ruling at that date. Unlisted securities are shown at the Governing Body's estimate of fair value.

Investment income is included as and when dividends and interest become payable. Interest on bank deposits is included as earned. Interest purchased or sold as part of the price for investments is treated as capital rather than being brought into the statement of comprehensive income and expenditure.

b. Properties

The College takes advice from its agents each year on the value of its properties and carries out a full valuation periodically.

c. Other investments

Shared equity housing interests are stated at cost. Royalties are held at valuation and are valued periodically by independent valuers.

STOCKS

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

PROVISIONS

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

CONTINGENT LIABILITIES AND ASSETS

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

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

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

FINANCIAL INSTRUMENTS

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

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

FINANCIAL ASSETS

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

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

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

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

FINANCIAL LIABILITIES

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

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

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

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

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

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

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.

TAXATION

The College is a registered charity (number 1139422) 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.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

Useful lives of property, 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 12.

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

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

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these

plans, such estimates are subject to significant uncertainty. Further details are given in note 27.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 27.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

Statement of Comprehensive Income and Expenditure

Year ended 30 June 2021

	Note	Unrestricted £000	Restricted £000	Endowment £000	Total 2021 £000	Unrestricted £000	Restricted £000	Endowment £000	Total 2020 £000
INCOME									
Academic fees and charges	1	3,049	203	-	3,252	2,972	224	-	3,196
Accommodation, catering and conferences	2	2,460	-	-	2,460	4,340	-	-	4,340
School	3	6,009	-	-	6,009	6,116	-	-	6,116
Investment income	4	242	246	4,071	4,559	947	222	4,402	5,571
Endowment return transferred	4	3,507	2,617	(6,124)	-	3,090	2,667	(5,757)	-
Other income	5	1,182	-	-	1,182	2,858	-	-	2,858
Total income before donations and endowments		16,449	3,066	(2,053)	17,462	20,323	3,113	(1,355)	22,081
Donations		179	1,418	-	1,597	281	949	-	1,230
New endowments		-	1,734	91	1,825	-	784	283	1,067
Capital donations for assets		-	5,011	-	5,011	-	686	-	686
Total Income		16,628	11,229	(1,962)	25,895	20,604	5,532	(1,072)	25,064
EXPENDITURE									
Education	6	3,991	3,050	-	7,041	5,151	2,164	-	7,315
Accommodation, catering and conferences	7	7,127	66	-	7,193	7,509	68	-	7,577
School	8	5,921	-	-	5,921	5,866	-	-	5,866
Other expenditure	9	1,378	1,046	715	3,139	1,304	753	907	2,964
Contribution under Statute G,II		101	-	-	101	142	-	-	142
Total expenditure		18,518	4,162	715	23,395	19,972	2,985	907	23,864
(Deficit)/surplus before other gains and losses		(1,890)	7,067	(2,677)	2,500	632	2,547	(1,979)	1,200
Gain/(loss) on investments		9,889	5,230	14,759	29,878	(2,194)	(1,990)	(2,470)	(6,654)
Surplus/(deficit) for the year		7,999	12,297	12,082	32,378	(1,562)	557	(4,449)	(5,454)
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		-	-	-	-	-	-	-	-
Actuarial gain/(loss) in respect of pension schemes		1,636	-	-	1,636	(455)	-	-	(455)
Total comprehensive income for year		9,635	12,297	12,082	34,014	(2,017)	557	(4,449)	(5,909)

The notes on pages 44 to 66 form part of these accounts.

Statement of Changes in Reserves

Year ended 30 June 2021

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2020	210,527	64,573	95,931	371,031
Surplus from income and expenditure statement	7,999	12,297	12,082	32,378
Other comprehensive income	1,636	-	-	1,636
Transfer in year	-	49	(49)	-
Release of restricted capital funds spent in the year	13,081	(13,081)	-	-
Balance at 30 June 2021	<u>233,243</u>	<u>63,838</u>	<u>107,964</u>	<u>405,045</u>

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2019	212,544	64,016	100,380	376,940
Surplus from income and expenditure statement	(1,562)	557	(4,449)	(5,454)
Other comprehensive income	(455)	-	-	(455)
Transfer in year	-	-	-	-
Release of restricted capital funds spent in the year	-	-	-	-
Balance at 30 June 2020	<u>210,527</u>	<u>64,573</u>	<u>95,931</u>	<u>371,031</u>

The notes on pages 44 to 66 form part of these accounts.

Consolidated and College Balance Sheets

As at 30 June 2021

	Note	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
NON-CURRENT ASSETS					
Tangible assets	12	225,141	225,044	209,426	209,314
Heritage assets	13	1,481	1,481	1,481	1,481
Investment assets	14	196,145	196,145	174,092	174,092
Total non-current assets		422,767	422,670	384,999	384,887
CURRENT ASSETS					
Stocks - good for resale		3,858	33	3,720	39
Trade and other receivables	15	2,107	7,491	2,148	7,281
Cash and cash equivalents	16	4,516	3,021	9,758	8,162
Total current assets		10,481	10,545	15,626	15,482
CREDITORS: amounts falling due within one year	17	(6,531)	(6,376)	(5,846)	(5,677)
NET CURRENT ASSETS		3,950	4,169	9,780	9,805
TOTAL ASSETS LESS CURRENT LIABILITIES		426,717	426,839	394,779	394,692
CREDITORS: amounts falling due after more than one year	18	(18,179)	(18,179)	(18,385)	(18,385)
Provisions					
Pension provisions	19	(3,493)	(3,493)	(5,363)	(5,363)
TOTAL NET ASSETS		405,045	405,167	371,031	370,944
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	20	107,964	107,964	95,931	95,931
Income and expenditure reserve – restricted reserve	21	63,838	63,838	64,573	64,573
		171,802	171,802	160,504	160,504
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted reserve		233,243	233,365	210,527	210,440
TOTAL RESERVES		405,045	405,167	371,031	370,944

Approved by Council on 9th November 2021 and signed on their behalf by:



Dr T K Carne, First Bursar

The notes on pages 44 to 66 form part of these accounts.

Consolidated Cash Flow Statement

Year ended 30 June 2021

	2021	2020
	£000	£000
Surplus for the year	32,378	(5,454)
Adjustment for non-cash items		
Depreciation	3,383	3,321
Non-cash donations or donated shares	(1,309)	-
Gain/(loss) on endowments, donations and investment property	(29,878)	6,654
Pension scheme (credit)/debit	(233)	(1,042)
Increase in stocks	(139)	(245)
Decrease in debtors	40	2,710
Increase in creditors	478	673
Adjusting for investing or financing activities		
Investment income	(6,612)	(6,926)
Interest payable	666	666
Profit on sale of non-current assets	-	2
Net cash flows from operating activities	<u>(1,226)</u>	<u>359</u>
Cash flows from investing activities		
Investment income	5,194	4,120
Non-current investment disposal	19,839	19,144
Payments to acquire non-current fixed assets	(19,098)	(15,781)
Payments to acquire non-current heritage assets	-	-
Payments to acquire non-current investments	(9,285)	(303)
Net cash flows from investing activities	<u>(3,350)</u>	<u>7,180</u>
Cash flows from financing activities		
Interest paid	(666)	(666)
	<u>(666)</u>	<u>(666)</u>
(Decrease)/increase in cash and cash equivalents in the year	<u>(5,242)</u>	<u>6,873</u>
Cash and cash equivalents at beginning of year	9,758	2,885
Increase/(decrease) in cash and cash equivalents in the year	(5,242)	6,873
Cash and cash equivalents at end of the year (note 16)	<u>4,516</u>	<u>9,758</u>

The notes on pages 44 to 66 form part of these accounts.

Notes to the Accounts

As at 30 June 2021

1. ACADEMIC FEES AND CHARGES

	2021	2021
	£000	£000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,782	1,778
Fee income received at the Unregulated Undergraduate rate	543	422
Fee income received at the Graduate rate	688	741
	<hr/>	<hr/>
Total fee income	3,013	2,941
Other academic income	37	32
Cambridge Bursary Scheme	202	223
	<hr/>	<hr/>
Total	<u>3,252</u>	<u>3,196</u>

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2021	2020
	£000	£000
Accommodation		
College members	1,836	1,920
International programmes	-	213
Third parties	46	433
Catering		
College members	562	765
International programmes	-	50
Third parties	16	959
	<hr/>	<hr/>
Total	<u>2,460</u>	<u>4,340</u>

3. SCHOOL INCOME

	2021	2020
	£000	£000
Fees	5,824	5,724
HMRC Job Retention Scheme grant	93	185
Other income	91	96
Donations	1	111
	<hr/>	<hr/>
Total	<u>6,009</u>	<u>6,116</u>

Notes to the Accounts

As at 30 June 2021

4. ENDOWMENT RETURN AND INVESTMENT INCOME

	2021 £000	2020 £000
4a. Analysis of Investment Income		
Income drawdown from endowment (note 4b)	6,124	5,757
Other investment income	246	852
Cash balances and shared equity properties	49	51
Royalties	193	266
	<u>6,612</u>	<u>6,926</u>
(Losses)/gains on investment assets:		
(Losses)/gains on total return investment assets (below)	28,235	(6,066)
(Losses)/gains on other investment assets	1,643	(588)
	<u>29,878</u>	<u>(6,654)</u>
4b. Summary of Total Return		
<u>Income from:</u>		
Freehold land and buildings	1,415	1,452
Quoted securities and cash	2,656	2,950
	<u>4,071</u>	<u>4,402</u>
<u>Gains/(losses) on total return investment assets:</u>		
Freehold land and buildings	1,178	(4,148)
Quoted securities and cash	27,057	(1,918)
	<u>28,235</u>	<u>(6,066)</u>
<u>Investment management costs in respect of:</u>		
Freehold land and buildings	(346)	(558)
Quoted securities and cash	(369)	(349)
	<u>(715)</u>	<u>(907)</u>
Total return for the year	31,591	(2,571)
Transfer to income and expenditure reserve (note 4a)	(6,124)	(5,757)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 22)	<u>25,467</u>	<u>(8,328)</u>

Notes to the Accounts

As at 30 June 2021

5. OTHER INCOME

	2021	2020
	£000	£000
Tourist admissions and shop sales	172	1,987
Chapel and choir	202	274
HMRC Job Retention Scheme grant	744	510
Other income	64	87
	<hr/>	<hr/>
Total	1,182	2,858
	<hr/> <hr/>	<hr/> <hr/>

6. EDUCATION EXPENDITURE

	2021	2020
	£000	£000
Teaching	2,511	2,528
Tutorial	646	689
Admissions - General	408	442
Admissions - Access and Widening Participation	806	829
Research	1,089	1,297
Scholarships and awards	1,055	983
Other educational facilities	526	547
	<hr/>	<hr/>
Total	7,041	7,315
	<hr/> <hr/>	<hr/> <hr/>

7. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE

	2021	2020
	£000	£000
Accommodation		
College members	4,088	4,097
Third parties	1,044	1,043
Catering		
College members	1,069	1,438
Third parties	992	999
	<hr/>	<hr/>
Total	7,193	7,577
	<hr/> <hr/>	<hr/> <hr/>

8. SCHOOL EXPENDITURE

	2021	2020
	£000	£000
Staff costs	4,495	4,382
Other expenditure	1,024	1,075
Depreciation	402	409
	<hr/>	<hr/>
Total	5,921	5,866
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Accounts

As at 30 June 2021

9. OTHER EXPENDITURE

	2021	2020
	£000	£000
Investment management costs	832	1,043
Loan interest	666	666
Tourist admission and shop expenditure	404	670
Chapel expenditure	1,029	1,143
Development	128	151
FRS 102 pension provision	(75)	(885)
Other expenditure	155	176
	<hr/>	<hr/>
Total	3,139	2,964
	<hr/> <hr/>	<hr/> <hr/>
Included within other costs is auditors' remuneration as follows:		
Fees payable to the College's auditors for the audit of the College's annual accounts	31	31
Fees payable to the College's auditors for the audit of the College's subsidiaries	9	9
	<hr/>	<hr/>
Total fees payable	40	40
	<hr/> <hr/>	<hr/> <hr/>

10. ANALYSIS OF EXPENDITURE BY ACTIVITY

2020/21	Staff costs	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	3,343	3,000	698	7,041
Accommodation, catering and conferences	3,221	1,847	2,125	7,193
School	4,495	1,024	402	5,921
Other	947	2,034	158	3,139
Contribution under Statute G,II	-	101	-	101
	<hr/>	<hr/>	<hr/>	<hr/>
	12,006	8,006	3,383	23,395
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2019/20	Staff costs	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	3,307	3,326	682	7,315
Accommodation, catering and conferences	3,446	2,055	2,076	7,577
School	4,382	1,075	409	5,866
Other	298	2,512	154	2,964
Contribution under Statute G,II	-	142	-	142
	<hr/>	<hr/>	<hr/>	<hr/>
	11,433	9,110	3,321	23,864
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The above expenditure includes £413k as the cost of fundraising (2019/20: £461k).

Notes to the Accounts

As at 30 June 2021

11. STAFF EXPENDITURE

	College fellows £000	Non- academic £000	School £000	Total 2021 £000	Total 2020 £000
Staff costs					
Salaries and wages	1,694	4,642	3,478	9,814	10,112
National Insurance	124	384	333	841	825
Pension contributions (see note 27)	192	474	685	1,351	496
	<u>2,010</u>	<u>5,500</u>	<u>4,496</u>	<u>12,006</u>	<u>11,433</u>

Average staff numbers	No. of Fellows	FTE non- academic staff	FTE school staff.
2020/21	<u>98</u>	<u>172</u>	<u>98</u>
2019/20	<u>105</u>	<u>185</u>	<u>97</u>

At the balance sheet date there were 130 members of the Governing Body. During the year the average number receiving remuneration was the 98 shown above.

The number of officers or employees of the College, including Head of House and School, who received remuneration (including salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided gross of any salary sacrifice arrangements) in the following ranges were:

	2021	2020
£100,000-£109,999	-	1
£110,000-£119,999	1	-
£120,000-£129,999	2	2
£130,000-£139,999	1	-
	<u>4</u>	<u>3</u>

	2021 £000	2020 £000
During the year remuneration paid to key management personnel in their capacity as College Fellows were:		
Key management personnel aggregated remuneration	<u>633</u>	<u>632</u>

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

Notes to the Accounts

As at 30 June 2021

12. FIXED ASSETS

a) CONSOLIDATED

Cost	Freehold		Asset in Course of Construction	Plant Furniture and equipment	Computer Equipment	Group 2021 £000	Group 2020 £000
	Land	Buildings					
At 1 July 2020	66,885	107,456	10,112	44,457	1,810	230,720	214,952
Additions	-	1,407	17,401	169	121	19,098	15,781
Disposals	-	-	-	-	-	-	(13)
Revaluation in year	-	-	-	-	-	-	-
Transfer from assets in construction	-	-	-	-	-	-	-
At 30 June 2021	66,885	108,863	27,513	44,626	1,931	249,818	230,720
Depreciation							
At 1 July 2020	-	8,047	-	11,679	1,568	21,294	17,984
Charge for the year	-	1,406	-	1,908	69	3,383	3,321
Disposals	-	-	-	-	-	-	(11)
At 30 June 2021	-	9,453	-	13,587	1,637	24,677	21,294
Net book value – Group	66,885	99,410	27,513	31,039	294	225,141	209,426
Net book value is represented by;							
College	66,885	88,286	27,513	30,607	231	213,522	197,439
School	-	11,124	-	432	63	11,619	11,987
Total	66,885	99,410	27,513	31,039	294	225,141	209,426

b) COLLEGE

Cost	Freehold		Asset in Course of Construction	Plant Furniture and equipment	Computer Equipment	College 2021 £000	College 2020 £000
	Land	Buildings					
At 1 July 2020	66,885	107,458	10,112	44,240	1,733	230,428	214,662
Additions	-	1,408	17,401	165	119	19,093	15,779
Disposals	-	-	-	-	-	-	(13)
Revaluation in year	-	-	-	-	-	-	-
Transfer from assets in construction	-	-	-	-	-	-	-
At 30 June 2021	66,885	108,866	27,513	44,405	1,852	249,521	230,428
Depreciation							
At 1 July 2020	-	8,047	-	11,577	1,490	21,114	17,834
Charge for the year	-	1,406	-	1,889	68	3,363	3,291
Disposals	-	-	-	-	-	-	(11)
At 30 June 2021	-	9,453	-	13,466	1,558	24,477	21,114
Net book value - College	66,885	99,413	27,513	30,939	294	225,044	209,314
Net book value is represented by;							
College	66,885	88,289	27,513	30,507	231	213,425	197,327
School	-	11,124	-	432	63	11,619	11,987
Total	66,885	99,413	27,513	30,939	294	225,044	209,314

Notes to the Accounts

As at 30 June 2021

12. FIXED ASSETS (continued)

- c) The insured value of freehold land and buildings as at 30 June 2021 was £305 million (£296 million at 30 June 2020).

13. HERITAGE ASSETS

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

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2006 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

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

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Balance at beginning of year	1,481	1,481	1,466	1,466	1,466	1,446
Acquisitions purchased with specific donations	-	-	-	-	-	-
Acquisitions purchased with College funds	-	-	15	-	-	20
Total cost of acquisitions purchased	-	-	15	-	-	20
Balance at end of year	1,481	1,481	1,481	1,466	1,466	1,466

Notes to the Accounts

As at 30 June 2021

14. INVESTMENTS ASSETS

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Balance at beginning of year	174,092	174,092	196,778	196,778
Additions	20,640	20,640	28,610	28,610
Disposals	(25,271)	(25,271)	(44,490)	(44,490)
Gain/(loss)	27,345	27,345	(6,675)	(6,675)
Decrease in cash balances held	(661)	(661)	(131)	(131)
	<u>196,145</u>	<u>196,145</u>	<u>174,092</u>	<u>174,092</u>
Balance at end of year	<u>196,145</u>	<u>196,145</u>	<u>174,092</u>	<u>174,092</u>
Represented by:				
Quoted securities and unit trusts	148,538	148,538	121,457	121,457
Quoted securities – fixed interest	1,906	1,906	5,139	5,139
Freehold land and buildings	31,507	31,507	31,901	31,901
Investment in subsidiary undertakings	-	-	-	-
Unlisted securities	6,203	6,203	7,288	7,288
Cash with fund managers	4,398	4,398	4,719	4,719
College joint equity scheme	2,379	2,379	2,374	2,374
Literary royalties	1,214	1,214	1,214	1,214
	<u>196,145</u>	<u>196,145</u>	<u>174,092</u>	<u>174,092</u>
Total	<u>196,145</u>	<u>196,145</u>	<u>174,092</u>	<u>174,092</u>

Subsidiary Undertakings

At 30 June 2021, Kings College held an investment in the following companies:

	Holding	Proportion of voting rights	Country of Incorporation	Nature of Business
King's College Cambridge Enterprises Ltd	Ordinary	100%	United Kingdom	Provision of conference facilities
KCS Facilities Ltd	Ordinary	100%	United Kingdom	Provision of sports hall facilities
King's College Cambridge Developments Ltd	Ordinary	100%	United Kingdom	Provision of development facilities

15. TRADE AND OTHER RECEIVABLES

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Members of the College	53	53	60	60
Trade debtors	269	251	277	181
Amounts due from subsidiary companies	-	5,464	-	5,488
Other debtors	1,785	1,723	1,811	1,552
	<u>2,107</u>	<u>7,491</u>	<u>2,148</u>	<u>7,281</u>
	<u>2,107</u>	<u>7,491</u>	<u>2,148</u>	<u>7,281</u>

Notes to the Accounts

As at 30 June 2021

16. CASH AND CASH EQUIVALENTS

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Bank deposits	73	73	70	70
Current accounts	4,438	2,943	9,683	8,087
Cash in hand	5	5	5	5
	<u>4,516</u>	<u>3,021</u>	<u>9,758</u>	<u>8,162</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Bank loan	205	205	205	205
Members of the College	134	134	127	127
Trade creditors	647	587	528	411
Accruals and deferred income	3,014	1,963	1,849	1,737
Social security, pension and taxes	242	242	265	265
University fees	98	98	655	655
Contribution to Colleges fund	101	101	142	142
Amounts due to subsidiary companies	-	965	-	72
Other creditors	2,090	2,081	2,075	2,063
	<u>6,531</u>	<u>6,376</u>	<u>5,846</u>	<u>5,677</u>

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £000	College 2021 £000	Group 2020 £000	College 2020 £000
Project Tintagel loan	15,000	15,000	15,000	15,000
Interest-free loan from a donor	2,000	2,000	2,000	2,000
School bank loan	1,179	1,179	1,385	1,385
	<u>18,179</u>	<u>18,179</u>	<u>18,385</u>	<u>18,385</u>

In 2014 the College borrowed from institutional investors (Project Tintagel loan), collectively with other Colleges. The College's share was £15 million. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.4%. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges.

In 2018 the College took out a bank loan of £2 million on behalf of the School to help fund the building of the Sports Centre. The loan is to be repaid over 10 years at a fixed interest rate of 2.99%. The balance falling due after more than one year at 30 June 2021 was £1,179,487.

Notes to the Accounts

As at 30 June 2021

19. PENSION PROVISIONS

	CCFPS £000	USS £000	Total 2021 £000	Total 2020 £000
Balance at beginning of year	(3,990)	(1,373)	(5,363)	(5,951)
Movement in year:				
Current service cost	-	-	-	-
Contributions paid by the College	158	-	158	157
Change in expected contribution	-	166	166	1,026
Finance cost	(81)	(10)	(91)	(141)
Actuarial gains recognised in statement of comprehensive income and expenditure	1,637	-	1,637	(454)
Balance at end of year	<u>(2,276)</u>	<u>(1,217)</u>	<u>(3,493)</u>	<u>(5,363)</u>

20. ENDOWMENTS

Group and College	Restricted Permanent Endowments 2021 £000	Unrestricted Permanent Endowments 2021 £000	Total 2021 £000	Total 2020 £000
Balance at beginning of year:				
Capital	35,574	60,357	95,931	100,380
New donations and endowments	91	-	91	283
Increase in market value of investments	4,731	7,260	11,991	(4,732)
Transfer from General Reserves	(49)	-	(49)	-
Balance at end of year	<u>40,347</u>	<u>67,617</u>	<u>107,964</u>	<u>95,931</u>
Analysis by type of purpose:				
Student support	26,628	-	26,628	23,368
Fellowship	5,397	-	5,397	4,743
Chapel and choir	3,822	-	3,822	3,433
Other funds	4,500	-	4,500	4,030
General endowments	-	67,617	67,617	60,357
	<u>40,347</u>	<u>67,617</u>	<u>107,964</u>	<u>95,931</u>

Notes to the Accounts

As at 30 June 2021

20. ENDOWMENTS (continued)

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Total 2021 £000	Total 2020 £000
Analysis by asset:				
Property	6,480	10,862	17,342	17,580
Investments	32,962	55,239	88,201	75,751
Cash	905	1,516	2,421	2,600
	<u>40,347</u>	<u>67,617</u>	<u>107,964</u>	<u>95,931</u>

21. RESTRICTED RESERVES

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2021 £000	Total 2020 £000
Group and College					
Balance at beginning of year	12,649	9,358	42,566	64,573	64,016
Comprising:					
Capital	-	-	42,566	42,566	55,782
Unspent income	12,649	9,358	-	22,007	8,234
Balance at beginning of year	12,649	9,358	42,566	64,573	64,016
New grants	5,011	-	-	5,011	686
New donations	-	1,369	1,734	3,103	1,632
Endowment return transferred	-	1,347	1,269	2,616	2,667
Other income	-	246	202	448	445
Increase/(decrease) in market value of investments	-	395	4,835	5,230	(1,990)
Expenditure	-	(2,000)	(2,111)	(4,111)	(2,883)
Capital grants utilised	(13,081)	-	-	(13,081)	-
Transfer	-	(489)	538	49	-
Balance at end of year	<u>4,579</u>	<u>10,226</u>	<u>49,033</u>	<u>63,838</u>	<u>64,573</u>
Comprising:					
Capital	-	-	49,033	49,033	42,566
Unspent income	4,579	10,226	-	14,805	22,007
Balance at end of year	<u>4,579</u>	<u>10,226</u>	<u>49,033</u>	<u>63,838</u>	<u>64,573</u>

Notes to the Accounts

As at 30 June 2021

21. RESTRICTED RESERVES (continued)

Analysis of other restricted funds/donations by type of purpose:	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2021 £000	Total 2020 £000
Student support	-	7,725	15,192	22,917	20,017
Fellowship	-	907	7,488	8,395	7,542
Chapel and choir	-	1,265	18,775	20,040	18,150
Buildings	4,579	-	2,950	7,529	15,282
Other funds	-	329	4,628	4,957	3,582
	<u>4,579</u>	<u>10,226</u>	<u>49,033</u>	<u>63,838</u>	<u>64,573</u>

22. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Memorandum of Unapplied Total Return	2021 £000	2020 £000
Within reserves the following amounts represent the Unapplied Total Return of the College:		
Unapplied total return at the beginning of year	87,538	95,866
Unapplied total return for the year (note 4b)	25,467	(8,328)
Unapplied total return at end of year	<u>113,005</u>	<u>87,538</u>

23. RECONCILIATION AND ANALYSIS OF NET DEBT

	At 30 June 2020 £000	Cash Flows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2021 £000
Cash and cash equivalents	9,758	(5,242)	-	-	4,516
Borrowings: Amount falling due within one year:					
Secured loans	(205)	-	-	-	(205)
Borrowings: Amount falling due after more than one year:					
Secured loans	(18,385)	206	-	-	(18,179)
Total net debt	<u>(8,832)</u>	<u>(5,036)</u>	<u>-</u>	<u>-</u>	<u>(13,868)</u>

Notes to the Accounts

As at 30 June 2021

24. FINANCIAL INSTRUMENTS

	2021 £000	2020 £000
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments (note 14)	150,444	126,596
Other equity investments (note 14)	6,203	7,288
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents (note 14 and 16)	8,914	14,477
Other equity investments (note 14)	2,379	2,374
Other debtors (note 15)	1,255	1,861
Financial liabilities		
Financial liabilities measured at amortised cost		
Bank overdraft		
Loans (note 17 and 18)	16,384	16,590
Trade creditors (note 17)	647	528
Other creditors (note 17)	4,662	5,263

25. CAPITAL COMMITMENTS

Authorised future capital expenditure amounted to £16,392,000 at 30 June 2021 including works on Croft Gardens, Old Garden, Grasshopper Roof, Spalding, Keynes and the Chapel (£19,539,000 at 30 June 2020). In addition, the College has committed to invest a further £1.37 million in Private Equity funds.

26. FINANCIAL COMMITMENTS

At 30 June 2021 and 2020 the College had no annual commitments under non-cancellable operating leases.

27. PENSION SCHEMES

The College and its subsidiary undertakings participate in four defined benefit schemes and one defined contribution scheme.

The total pension cost for the year was as follows:

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (continued)

	2021 £000	2020 £000
University Superannuation Scheme (includes FRS 102)	565	(187)
Cambridge Colleges' Federated Pension Scheme (includes FRS 102)	77	53
Teachers' Pension Scheme	487	406
Church of England Funded Pension Scheme	19	24
NOW: Pensions	203	200
	1,351	496

University Superannuation Scheme (USS)

The total cost charged to the statement of comprehensive income and expenditure is £565k (2019/20 -£187k).

As at the 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since the year end the valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022.

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

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

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

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

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (US\$ continued)

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

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

The current life expectancies on retirement at age 65 are:

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

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

	2021	2020
Discount rate	0.87%	0.73%
Pensionable salary	n/a	n/a
Pension increases	2.7%	2.7%

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (continued)

Cambridge Colleges Federation Pension Scheme (CCFPS)

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

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

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	2021 % p.a.	2020 % p.a.
Discount rate	1.80	1.45
RPI assumption	3.40	3.10
CPI assumption	2.60	2.20

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, a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% p.a, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 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
Deferred Members – Option 1 Benefits	63	62

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

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CCFPS continued)

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

	2021	2020
	£000	£000
Present value of plan liabilities	(16,597)	(17,960)
Market value of plan assets	14,320	13,969
	<u> </u>	<u> </u>
Net defined benefit asset/(liability)	<u>(2,277)</u>	<u>(3,991)</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	2020
	£000	£000
Current service cost & ongoing expenses	23	23
Interest on net defined benefit (asset)/liability	58	81
	<u> </u>	<u> </u>
Total	<u>81</u>	<u>104</u>

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

	2021	2020
	£000	£000
Present value of plan liabilities at beginning of period	17,960	17,123
Current service cost (including Employee contributions)	-	-
Benefits paid	(855)	(750)
Interest on plan liabilities	254	377
Actuarial (gains)/losses	(762)	1,210
	<u> </u>	<u> </u>
Present value of plan liabilities at end of period	<u>16,597</u>	<u>17,960</u>

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

	2021	2020
	£000	£000
Market value of plan assets at beginning of period	13,969	13,533
Contributions paid by the College	158	157
Employee contributions	-	-
Benefits paid	(886)	(780)
Interest on plan assets	196	296
Return on assets, less interest included in Profit & Loss	883	763
	<u> </u>	<u> </u>
Market value of plan assets at end of period	<u>14,320</u>	<u>13,969</u>
	<u> </u>	<u> </u>
Actual return on plan assets (including interest)	<u>1,079</u>	<u>1,059</u>

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CCFPS continued)

The major categories of plan assets as a percentage of total 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	100%	100%

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 £000	2020 £000
Actual return less expected return on plan assets	883	763
Experience gains and losses arising on plan liabilities	427	198
Changes in assumptions underlying the present value of plan liabilities	327	(1,415)
Actuarial gain/(loss) recognised in OCI	<u>1,637</u>	<u>(454)</u>

Movement in surplus/(deficit) during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Surplus/(deficit) in plan at beginning of year	(3,991)	(3,590)
Recognised in Profit and Loss	(81)	(104)
Contributions paid by the College	158	157
Actuarial gain/(loss) recognised in OCI	1,637	(454)
Surplus/(deficit) in plan at the end of the year	<u>(2,277)</u>	<u>(3,991)</u>

Funding Policy

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

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CCFPS continued)

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

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

- Annual contributions of not less than £136,777 p.a. payable for the period to 30 June 2021 only.

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

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme. This is a statutory, contributory, final salary and career average, unfunded scheme and as such it is not possible to identify the College's share of the underlying assets and liabilities of the scheme. The College contributes 23.68% of teachers' gross salary for those in the scheme while employee contributions are tiered and as from April 2020 the range was 7.4% to 11.7%.

For schemes such as the Teachers' Pension Scheme, FRS102 requires the College to account for pension costs on the basis of contributions actually payable to the scheme in the year. The total pension cost for the College was £487,000 (2019/20 £406,000).

Church of England Funded Pensions Scheme (CEFPS)

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the Statement of Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CEFPS continued)

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

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

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

	1 January 2018 to 31 December 2020	1 January 2021 to 31 December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

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

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

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2020 £’000	2019 £’000
Balance sheet liability at 1 July	13	39
Deficit contribution paid	(5)	(6)
Interest cost	-	1
Remaining change to the balance sheet liability*	3	(21)
Balance sheet liability at 30 June	11	13

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

Notes to the Accounts

As at 30 June 2021

27. PENSION SCHEMES (CEFPS continued)

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

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

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

NOW: Pensions

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £203,000 (2019/20 £200,000).

28. CONTINGENT LIABILITIES

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

29. RELATED PARTY TRANSACTIONS

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

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

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

Notes to the Accounts

As at 30 June 2021

29. RELATED PARTY TRANSACTIONS (continued)

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

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

From	To	2021 Number	2020 Number
£0	£10,000	13	8
£10,001	£20,000	1	2
£20,001	£30,000	1	-
£30,001	£40,000	1	2
£40,001	£50,000	2	-
£50,001	£60,000	-	-
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	-	-
£90,001	£100,000	-	1
£100,001	£110,000	1	1
£110,001	£120,000	-	-
£120,001	£130,000	-	-
	Total	19	14

The total Trustee salaries were £300,099 for the year (2019/20 £301,953)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £71,428 for the year (2019/20 £78,961)

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.

Notes to the Accounts

As at 30 June 2021

30. POST BALANCE SHEET EVENT

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £2,016,580 in the provision for the obligation to fund the deficit on the USS pension which would instead be £3,232,600. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £4,061,427 in the provision for the obligation to fund the deficit on the USS pension which would instead be £5,277,447.