Annual Report & Accounts

Photo: Martin Bond

For the Financial Year 1st July 2019 to 30th June 2020

Contents

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 this year 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 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 2019 to 30th June 2020. 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
Dr John Barber
Professor Michael Bate
Dr Andreas Bender
Professor Nathanaël Berestycki (to 30.09.19)
Dr Alice Blackhurst
Professor Richard Bourke
Dr Mirjana Bozic
Dr Angela Breitenbach
Professor Jude Browne
Professor Nick Bullock
Dr Matei Candea
Dr Keith Carne
Mr Richard Causton
Mr Nick Cavalla
Dr Goylette Chami (to 30.09.19)
The Rev'd Dr Stephen Cherry (Dean)
Dr Maurice Chiodo (From 01.10.19)
Sir Stephen Cleobury (to 22.11.19)
Dr Francesco Colucci
Dr Sarah Crisp
Dr Laura Davies
Professor Anne Davis
Professor Peter de Bolla
Dr Megan Donaldson (to 30.09.19)
Dr James Dolan (from 01.10.19)
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
Professor Matthew Gandy
Dr Chryssi Giannitsarou
Lord Tony Giddens
Dr Ingo Gildenhard
Professor Christopher Gilligan
Professor Simon Goldhill
Dr David Good
Dr Caroline Goodson
Professor Julian Griffin (to 30.09.19)
Dr Tim Griffin
Professor Gillian Griffiths
Professor Ben Gripaios
Professor Mark Gross
Dr Henning Grosse Ruse-Khan
Dr Aline Guillermet
Dr Cesare Hall
Professor Ross Harrison (from 01.10.19)
Ms Lorraine Headen
Professor John Henderson
Dr Felipe Hernandez
Dr Ryan Heuser (from 01.10.19)
Dr David Hillman
Dr Stephen Hugh-Jones
Professor Dame Caroline Humphrey
Professor Herbert Huppert
Professor Martin Hyland
Mr Daniel Hyde (from 01.10.19)
Mr Philip Isaac
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
Professor Jean-Michel Massing
Dame Judith Mayhew Jonas
Dr Naomi McGovern
Professor Dan McKenzie
Professor Cam Middleton
Dr Perveez Mody
Professor Geoff Moggridge
Dr Kamiar Mohaddes (from 01.01.20)
Dr Ken Moody
Professor Clement Mouhot (to 30.09.19)
Dr Basim Musallam
Dr Rory O'Bryen
Dr Julienne Obadia
Dr Rosanna Omitowoju
Professor Robin Osborne
Dr Tejas Parasher (from 01.10.19)
Dr John Perry
Dr Adriana Pesci
Professor Chris Prendergast
Dr Surabhi Ranganathan
Dr Marek Rei (to 30.09.19)
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
Dr James Taylor
Mr James Trevithick
Professor Caroline van Eck
Dr Bert Vaux
Dr Rob Wallach
Dr Darin Weinberg
Dr Godela Weiss-Sussex
Dr Tom White
Professor John Young
Professor Nicolette Zeeman

Members in *statu pupillari*
Ms Catherine Bevilacqua (to 31.12.19)
Ms Sophia Georgescu (to 31.12.19)
Ms Claudia Joynt (to 31.01.19)
Ms Emily Rude (to 31.12.19)
Ms Eunice Adeoyo (from 01.01.20)
Mr Stephane Crayton (from 01.01.20
Mr Edward Everett (from 01.01.20)
Mr Joe Heath (from 01.11.19 to 30.04.20)
Ms Estella Nouri (from 01.05.20)

COUNCIL, OFFICERS AND ADVISORS

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

Registered Charity Number
1139422

Charity Trustees (Members of Council)

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 Sophia Georgescu (to 31.12.19)
President KCSU: Ms Eunice Adeoyo (from 01.01.20)
President KCGS: Ms Catherine Bevilacqua (to 31.12.19)
President KCGS: Mr Edward Everett (from 01.01.20)

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

At the start of the 2019-20 academic year, the College had a clear plan. The budget set in the management accounts for the year showed a modest surplus. The reason for this surplus was that, in the summer of 2020 we would be carrying out a lot of building works, which would mean that there was no income from conferences. Therefore, we expected to make a deficit in 2020-21 and planned for surpluses in the years before and after to balance that. The COVID-19 pandemic undermined that careful planning. At the end of the Lent Term in March 2020, the Public Health Authority announced restrictions for the pandemic and the University agreed to close. Our students were encouraged to go home, if they could, and the numbers in residence fell to very low numbers. We still continued to support those who could not safely return home. This continued throughout the Easter Term when teaching and examinations were all online. This had a very major impact on students, staff and Fellows as we all tried to adapt to different and rapidly changing circumstances.

The College's priority was to work with the University and other Colleges to support our students and staff. The lockdown made this harder and caused a great deal of difficulty for many. All worked hard to create and maintain a safe environment. For the Easter Term, the national lockdown meant that most students worked from home with all teaching being online. Those students who were unable to return home safely remained in College and were looked after there. This required considerable changes in the operation of the University and, in particular, of the examinations. At this time the Collegiate University established a Gold Team to lead the response to the pandemic. There has been good and widespread co-operation to ensure that all Colleges and all departments can recover well. There was also careful planning for the re-opening of the University in October so that this could be done in a safe and supportive way. There was extensive advice through "Stay Safe Cambridge Uni" on how best to behave. The restrictions that are required for a COVID-safe environment have imposed many restrictions on our students. They understand the necessity of this and have generally responded well and positively. The Tutors and staff have tried to find new but effective ways to offer support and encouragement. A testing programme for all resident students across the University has, so far, allowed us to monitor outbreaks and control them.

The pandemic and the lockdown had a very marked effect on our finances too, as these accounts show. Income fell immediately. There were no rents or catering charges from students who were not in the College; there was no external catering or conferences; and there were no visitors. Overall, that led to a loss of income of more than £2,000,000. There were also some savings as supplies were not needed and the Government furlough scheme provided significant support. In addition, our staff were able to make some savings to help in these difficult circumstances. So, overall, our loss due to the pandemic was approximately £1,000,000 for the financial year to 30th June, 2020. Although we need to redress this deficit, in the difficult circumstances we faced, the College considered this a good outcome and approved a new budget for 2020-21.

The College relies heavily on the skills and dedication of our staff. It was that which helped us keep the losses in 2019-20 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. The College very much hopes to be able to maintain this although much remains uncertain about the future and our needs.

We do not believe that we will be able to achieve a balanced budget for 2020-21 and, in the current, exceptional circumstances, it would be inappropriate to attempt to do so. So, we have set a budget that anticipates a gradual recovery of income and tries to keep expenditure as low as we reasonably can without causing lasting damage. We are also conscious that this budget is far less certain than it would be in normal times. There is a possibility of a further lockdown as well as risks that the recovery of the economy and of tourism is delayed much longer than we anticipate. Hence, we may face greater losses than in our budget and will need to review it regularly throughout the year.

We have a responsibility as a charity to ensure that our endowment is used fairly for the benefit of all generations. That means that we should ensure that our spending is kept in line with our income. The College considers the current circumstances this year as exceptional and so believes it is right to allow a deficit in the budget. It plans to redress that deficit over the coming years. That will mean that we will have to adapt our expenditure and our aspirations to whatever new reality we face. We intend, however, to maintain the strength of our staff and community in order to face that new reality as best we may.

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 at previous levels. 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 has meant that the property part of our endowment, consisting mainly of retail premises in Cambridge, has fallen sharply in value by about 25% and those values are less certain than usual. 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. Although we believe that this is the right and prudent thing to do, it has meant that our income has fallen sharply.

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.

Finally: the academic year 2019-20 has been like no other in recent memory owing to the effects of the COVID-19 global pandemic. For most students, leaving King's to return to the parental home was the best option following the decision of the University to close all Faculties shortly after the end of Lent term. King's, like all other Cambridge colleges, operated a skeleton service to support those students who were unable to leave. But major facilities and services, such as centralised catering, cleaning and the library had to close. All College-based teaching went online for the Easter term, and in-person examinations were replaced with online formative assessments for non-finalists. For our finalists, the assessments were summative, and approximately 50% obtained Firsts, the remainder 2.1s. This is a huge tribute to their resilience and determination to continue studying in less than ideal circumstances, as well as to those who prepared online teaching and gave remote supervisions. Many students have been given extra financial support to help deal with the impact of having to return home at short notice, and we are already anticipating significant additional spending to support graduate doctoral students. Many of those students have been unable to make meaningful progress on their research, and overshoots are inevitable. We are also supporting our overseas students who are required to quarantine for 14 days prior to the start of the next academic year. Whilst all of this support will undoubtedly be a drain on our hardship funds, we are determined that this unlucky generation of students will not feel the full force of the pandemic, and we will use our funds more generously than ever in order to mitigate COVID-related financial difficulties. It is heartening that for the most part, our students have taken their responsibilities seriously during the pandemic, and pulled together to support each other. This attitude will be very important during the next academic 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

The Library and Archives staff left the building as of 20 March 2020 but were able to remotely continue many of our services for the last quarter of the financial 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 14,335, plus use inside the Library of 1,993 items from the total stock accessible via the online catalogue of 117,163 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, 235 readers (163 of them new) made 488 visits to the Archives reading room, 2,045 documents were retrieved for visitors and 2,550 enquiries answered. 331 people came simply to see exhibitions displayed in the Library. The 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 55 enquiries within the framework of the Act. 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 2019/20 four stipendiary Research Fellows were elected: two, part-funded by a donation from the Mellon Foundation to work on Punishment and on Prejudice, one in Physical and Chemical Sciences, and one, wholly funded by a donation to the college, to work on the history and cultures of the countries of the Silk Roads. A second Silk Roads Fellow was appointed who will be paid for his first three years by the Leverhulme Trust as an Early Career Fellow and funded by the College for his Final Year. A further non-stipendiary Research Fellowship was elected to work on theories of gravitation.

The College also appoints a number of post-doctoral researchers who have funding from other sources as College Research Associates, with limited dining rights and a small research allowance, for two years (renewable). In 2019/20, the College appointed four College Research Associates in the Sciences together with two 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 some 412 boys and girls aged 4 to 13. The excellence that continues to be described in that choral tradition underpins how we approach all aspects of our provision. Working closely in support of the College’s values, including a 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 2020 we introduced the Cresco Division, an enrichment programme for all pupils to sit alongside the longstanding choral tradition for boys. This enables us to deliver choral training for girls alongside a music development course for talented boys and girls; pupils are also offered specialist subjects in engineering, literature, modern foreign languages, reasoning and dance/ballet.

It has been exciting to watch the completion of work in converting space within the Boarding House to create two dormitories for girls. Whilst COVID restrictions have not, as yet, allowed us use of this facility, we are delighted with the expressions of interest that have been shown, and much look forward to welcoming girls as flexi and weekly boarders.

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 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.

There is no denying the very complex challenges of the 2019/2020 academic year. From the time of school closures on 20th March, we offered an online learning platform for all classes in the School, alongside an in-school provision for the children of key workers. We welcomed back the pupils of Reception, Year 1 and Year 6 as soon as they were permitted to return; the on-site lessons were live-streamed to all those not able to come back into School. The full online platform continued for the children in other year groups. All pupils were able to return before closing for the holiday, albeit that for some it was for just a few days! Throughout the summer we continued to offer holiday camps.

We are delighted that so many of our Year 8 Leavers had been able to take their scholarship assessments before the period of the lockdown. Special arrangements were agreed with those senior schools who would usually require Common Entrance.

Despite the ongoing difficulties and financial uncertainty of the pandemic, we are encouraged by the steady trickle of interest from families interested in joining the school. In addition to the Chorister Scholarships, the School offers a means-tested bursary for pupils applying from local primary schools at age 7. We are making steady progress in our quest to establish a Bursary Fund, which we hope will ultimately be of sufficient capital investment to support more children in attending King's College School.

Buildings

We are fortunate to have some of the most beautiful buildings in Cambridge and seek to maintain and develop those buildings as best we can. This requires a constant and expensive timetable of repairs and renovations designed to ensure that the buildings remain sound and suited to our purposes. The College has a 10-year plan, which is reviewed annually. Following the advice on the expected cost, the plan envisages spending £29 million to keep our buildings in a good state. Accordingly, and following professional advice, we have a depreciation charge (excluding the School) of £2.9 million in our accounts for the current year.

We had planned to do a large amount of building work during the 2019/20 year and continuing into the summer of 2020. While the pandemic has made this harder, we have still proceeded and all of the projects are progressing well.

The Stephen Taylor Building and the Villa Building on Cranmer Road have been completed and occupied. They are much appreciated. This building came from a very generous donation. The re-roofing of Bodley's Court has also finished. The roof, with new Collyweston slate, looks impressive and the planting in the court has now been restored and improved. The renovation and extension of Garden Hostel was delayed by the lockdown but it is now expected to complete before Christmas. Finally work at Croft Gardens has begun and will continue over the next two years. All of the new buildings and renovations will improve the energy efficiency achieving *Passivhaus* standard for the new buildings.

We have also begun major works in the main part of the College. Half of the rooms in the Keynes Building will be renovated over the summer of 2020, with the remaining half to be done in 2021. The slate on the roof of the Hall is being replaced over the later half of 2020. Finally, the College bar is being renovated and we hope to restore some of the beauty of Wilkins' original design as against the design from the 1960s. This will also allow us to make the bar and Hall more easily accessible to the disabled, which is a considerable benefit.

Development

- Funds raised in 2019/20 including pledges: £3,354,859
- Cash received in 2019/20: £5,977,709
- Number of alumni: 9,832
- Number of addressable alumni: 8,977
- Number of addressable alumni who made a gift: 1,013
- Participation rate: 11.3%
- Number of alumni and development events in FY: 8
- Total number of attendees at these events: 1,036
- Volunteers: 54
- Social Media following:
    - King's College Twitter: 11,100 Followers
    - King's College Facebook: 13,277 Fans
    - King's College Instagram: 9,142 Followers
    - King's College Choir Facebook: 91,310 Fans
    - King's College Choir Twitter: 11,300 Followers
    - King's College Choir Instagram: 17,500 Followers

To align with the Collegiate University's Campaign, we take 2011/2012 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 2019 to 30 June 2020, we raised a total of £3,354,859 in new philanthropic gifts and received cash in of £5,977,709: which gives a Campaign running total of £71,286,269.

One of the highlights of the year was the official opening of the new graduate accommodation, the Stephen Taylor Building and the Villa on Cranmer Road. The buildings are constructed to Passivhaus environmental standards and provide an extra 59 student rooms. These spacious modern buildings provide excellent housing with wide passageways, and roomy kitchens and communal areas as well as beautifully landscaped gardens with an area for the students to grow their own fruit and vegetables. Further new accommodation for graduates and Fellows, including family housing, is underway at Croft Gardens on Barton Road, and scheduled to be complete by October 2022. King's will then have sufficient capacity to house all of its students for the very first time.

Many of the new Student Access and Support Initiatives (SASI) that were announced at the launch of the King's Campaign have started this year funded by philanthropy: the 'post-offer, pre-A-level' tutoring scheme, the Bridging Programme, the annual bursaries to undergraduates from economically disadvantaged backgrounds. Each initiative has met with success despite the nationwide problems around A-level exams and the need to move courses online.

The Telephone Fundraising Campaign (TFC) in March was halted after two days, as concern about COVID-19 grew. This has been rescheduled for early December 2020. The annual income of around £200,000 generated from the TFC is vital to help the College meet the increasing demands on the Supplementary Exhibition Fund, our main student support and hardship fund; and this year even more than ever with the global pandemic.

King's is one of the most popular Colleges for graduate student applications, but with limited funding to offer, we often miss out on securing some of the brightest talent. However, a generous gift has bolstered a new fund for graduate support, and the University has matched this with additional funding. Another gift has been made to help graduates in hardship. Our ambition is to build on these keystone donations, to help us rise to the perennial challenge of supporting PhD students who overrun the traditional three years.

The Development Office organises a programme of alumni events each year to help keep non-resident members connected to the College and in touch with each other. Unfortunately many of our events, including year-group reunions, national and international gatherings, and academic lectures had to be cancelled because of the pandemic. In contrast to the 23 events last year with 1,430 attendees, this year we held 8 events with 1,036 attendees; one of the events was virtual where alumni joined us from across the globe.

The Communications Team has continued to play a key role throughout the year, and particularly during lockdown. Among a myriad of other things, the Team has been heavily involved in all aspects of the King's COVID-19 communications and logistics, provided content for and updated the website and some of the social media channels, dealt with press enquiries, produced weekly 'internal' newsletters sent to students, staff and Fellows; and bi-weekly 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 2020 Entrepreneurship Competition attracted around 50 high-quality entries, with the Lyons' Den final delayed until 1 October 2020 and held online. Once again joint-winners were selected and awarded £20,000 each, with a third prize of £5,000 awarded to the runner up. Previous entrants have continued to develop their start-ups and have observed that the prestige of the King's award has helped them attract further funding.

The College is registered with the Fundraising Regulator. No complaints about our fundraising activities were received in this reporting period.

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; to advise on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by

the auditors; to 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 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. 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 begun 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 39, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows a deficit of £5,909k (£13,837k surplus in 2018/19). 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 boxed section on page 39 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 surplus of £632k for 2019/20 compared to a deficit of £1,316k for 2018/19. The change is due a £2.5 million swing in the pension provision required for the University Superannuation Scheme (USS). The provision increased £1,524k in 2018/19 and then reduced by £1,026 in 2019/20. Although there was a £2.5m swing in the USS provision, the impact from the COVID-19 pandemic kept down the surplus 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 2019/20, the cost of undergraduate education for the College was £12,938 per student compared to average College fees of £4,625. The cost of a graduate education for the College was £11,417 per student compared to average fees of £3,900. In both cases, the costs falling to the University are excluded.

The College continues to try and increase income. Academic fee income was not affected by COVID-19 and was up overall by 8.9% due to an increase in the number of Home/EU undergraduates (from 360 to 380) and an increase in graduate numbers (from 176 to 189). The privately funded and overseas undergraduate numbers remained unchanged at 50. In addition the graduate fee and the fee for privately funded and overseas undergraduates increased 5.7% and 5% respectively. The fee for Home/EU undergraduates was unchanged. Other Academic and Research Income increased 40.4% in 2019/20 due to an increase in the receipts from the University in respect of the Cambridge Bursary Scheme.

Due to the College closure in the Easter Term, income from College Members' Accommodation was down 33.5% in 2019/20 while Third Party Accommodation fell by only 6.8% because the majority of the income came over the Long Vacation at the start of the year. Third Party Catering fell by 24.1% in 2019/20 due to the College closure and also private dining was down over the summer compared to 2018/19. Summer School income was up 13.7% due to an increase in PKP student numbers. College Members' Catering (including internal sales) was down 27.6% and overall income from Residences, Catering and Conferences was down 26.6%, a £1.75 million decrease on 2018/19.

Investment Income increased 7.3% in 2019/20. This included a 48% (£86k) increase in royalty income due to large fees paid in respect of E.M. Forster rights for a *Howards End* play and a *Maurice* film. There was a 6.2% increase in the spending rule income which is calculated at 3.35% of the average endowment value for the previous three years (30 June 2017, 30 June 2018 and 30 June 2019). In 2013/14 the College borrowed £15 million for periods of 30 to 40 years (see Note 18). This has been invested in the Cambridge University Endowment Fund and at 30 June 2020 the net assets, after interest payments, amount to £15.68 million.

Tourist Admissions income fell by 25.8% in 2019/20 due to the College closure in March 2020 and the Visitor Centre sales were down 16.3%. The financial impact from COVID-19 on Tourist income is expected to be even greater in 2020/21 due to the disruption to sales over the summer. Other Income includes £510k from the HMRC's Job Retention Scheme for staff furloughed between 23rd March and 30th June 2020. Choir and concerts income fell £181k in 2019/20 due to the pandemic but this 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 £5.76 million in 2019/20 (£5.42 million in 2018/19). As such, it represents a significant part of our overall expenditure of £23.9 million. The Investment Committee will consider this again, in the light of growing concern about investment prospects.

In this year, costs as a whole decreased 10.5% but, as explained above, there was a £2.5 million swing in the pension provision required under FRS 102 for the University Superannuation Scheme (USS). Excluding this, costs as a whole decreased by 1.2%. Staff costs (excluding the USS adjustment) increased by 5.8%; in the College there was an increase of 4.8% that included a 1.8% rise in cost of living, salary increments and additional junior research fellows that were funded through new restricted funds; the School wages increased 7.8% due a 2.5% rise in cost of living and a 7.2% increase in the employer contributions for the Teachers' Pension Scheme from September 2019. These salary figures exclude the income from the Job Retention Scheme that was received for furloughed staff in the year. This totalled £510k for the College and £185k for the School. College operating expenditure (excluding the School) decreased by 12.5% in the year because expenditure levels decreased significantly when the College was closed.

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 £2,912,324 for the year (£2,710,637 in 2018/19). 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 £4,116,789 (£4,403,541 in 2018/19) with its investment income. In addition, the net cost of accommodation increased in 2019/20 to £2,576,157 (£1,517,139 in 2018/19) as a result of the loss of student rents and external accommodation income when the College closed. The net deficit on catering also increased to £663,785 (£191,203 in 2018/19) due to the college closing in March 2020. The increased deficit does not include £185k that was received from HMRC for catering staff that were furloughed between March and June 2020.

The School recorded a surplus of £260,845 for 2019/20 (£302,661 in 2018/19). In addition, the College provided funds for choristership bursaries and bank interest of £415,395 (£416,724 in 2018/19) and the School paid £341,916 in rent back to the College (£325,461 in 2018/19). A total of £334,324 has been transferred to the funds designated for the School within the College reserves (£393,924 in 2018/19).

Capital Expenditure

During the year, capital expenditure including heritage assets was £15,781,280 (£17,165,235 in 2018/19). This includes £15,118,625 for maintenance projects, £159,166 for the School, £377,294 on the chapel including the lighting project and electrical replacements, £95,908 for catering, gardens and shop expenditure and £81,925 for IT. The College maintenance projects includes £5,355,095 towards the Cranmer Road new-build project, £2,223,711 on the Bodley's project, £76,929 for new boilers, £5,246,646 for the Old Garden project, £637,067 towards the Croft Gardens new-build project and £816,272 towards the Keynes refurbishment. The School's capital expenditure includes £32,200 on IT, £10,700 on furniture and equipment, £112,882 towards small building projects and £3,384 on the new Sports and Cultural Centre.

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 have returned to the College at the start of the new academic year in October 2020, therefore the majority of College activities will resume. However, 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 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 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

The College aims to manage its endowment on the basis of total return over the long term to provide for real increases in annual expenditure, keeping pace with its own inflation rate whilst growing the capital base in real terms, to meet the needs of both current and future generations. The College aims to diversify its investments in order to reduce volatility in the short to medium term and, in selecting investments, the College does not distinguish between income and capital gain.

The College's net assets (i.e. endowment including unspent restricted funds and reserves not otherwise invested) are held in a general investment fund. At 30 June 2020, 71% (64% at 30 June 2019) of the general investment fund was invested in UK and international equities and 19% (22% at 30 June 2018) was invested in freehold land and buildings. The remaining funds were held in cash, in fixed interest securities or in unlisted equity investments. The capital value of the fund (including the cash transferred to the College in the year) fell 3.5% in 2019/20 (2% rise in 2018/19). The FTSE All Share fell 15.9% in 2019/20 (3.5% fall in 2018/19) and the MSCI World Index rose 4.1% in 2019/20 (7.5% rise in 2018/19).

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 2019/20, all but £444,255 (£390,102 in 2018/19) 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 £210,527,000 in unrestricted reserves, of which £209,426,000 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.

Dr T K Carne
First Bursar on behalf of the Trustees
10th November, 2020

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 2020 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 2020 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;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly 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.

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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Council and Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees 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 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.

Matters on which we are required to report by exception

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

- The information given in the financial statements is inconsistent in any material respect with the Report of the Council; or
- 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 24, 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.

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/auditorsresponsibilties.

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
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 14 December 2020

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 £145k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£223k
Expenditure	£368k

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. Due to COVID-19 the following disclaimer was included with Bidwells' valuation report.

Material Valuation Uncertainty

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a 'Global Pandemic' on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of some of the properties within the subject portfolio, there is a shortage of market evidence for comparison purposes, to inform opinions of value. Our valuation of this portfolio is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. However, some properties do fall outside of this material uncertainty clause which are listed below:

13 King's Parade - Sub Station
14-16 Bene't Street
Residential Portfolio

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that– in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuations contained within this report under frequent review.

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. A material uncertainty disclosure note was included in Bidwells valuation report at 30th June 2020. (see Page 34, Statement Of Principle Accounting Policies – Investment Properties).

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 2020

	Note	Unrestricted £000	Restricted £000	Endowment £000	Total 2020 £000	Unrestricted £000	Restricted £000	Endowment £000	Total 2019 £000
INCOME									
Academic fees and charges	1	2,972	224	-	3,196	2,722	159	-	2,881
Accommodation, catering and conferences	2	4,340	-	-	4,340	5,791	-	-	5,791
School	3	6,116	-	-	6,116	6,017	-	-	6,017
Investment income	4	947	222	4,402	5,571	839	152	4,279	5,270
Endowment return transferred	4	3,090	2,667	(5,757)	-	2,945	2,478	(5,423)	-
Other income	5	2,858	-	-	2,858	3,038	-	-	3,038
Total income before donations and endowments		20,323	3,113	(1,355)	22,081	21,352	2,789	(1,144)	22,997
Donations		281	949	-	1,230	219	869	-	1,088
New endowments		-	784	283	1,067	-	2,617	267	2,884
Capital donations for assets		-	686	-	686	-	8,962	-	8,962
Total Income		20,604	5,532	(1,072)	25,064	21,571	15,237	(877)	35,931
EXPENDITURE									
Education	6	5,151	2,164	-	7,315	5,276	2,012	-	7,288
Accommodation, catering and conferences	7	7,509	68	-	7,577	7,426	70	-	7,496
School	8	5,866	-	-	5,866	5,703	-	-	5,703
Other expenditure	9	1,304	753	907	2,964	4,331	767	938	6,036
Contribution under Statute G,II		142	-	-	142	151	-	-	151
Total expenditure		19,972	2,985	907	23,864	22,887	2,849	938	26,674
Surplus/(deficit) before other gains and losses		632	2,547	(1,979)	1,200	(1,316)	12,388	(1,815)	9,257
Loss/(gain) on investments		(2,194)	(1,990)	(2,470)	(6,654)	589	274	2,881	3,744
Surplus/(deficit) for the year		(1,562)	557	(4,449)	(5,454)	(727)	12,662	1,066	13,001
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		-	-	-	-	1,128	-	-	1,128
Actuarial (loss)/gain in respect of pension schemes		(455)	-	-	(455)	(292)	-	-	(292)
Total comprehensive income for year		(2,017)	557	(4,449)	(5,909)	109	12,662	1,066	13,837

The notes on pages 43 to 64 form part of these accounts.

Statement of Changes in Reserves

Year ended 30 June 2020

	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	210,527	64,573	95,931	371,031

	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Balance at 1 July 2018	212,356	51,433	99,314	363,103
Surplus from income and expenditure statement	(727)	12,662	1,066	13,001
Other comprehensive income	836	-	-	836
Transfer in year	39	(39)	-	-
Release of restricted capital funds spent in the year	40	(40)	-	-
Balance at 30 June 2019	212,544	64,016	100,380	376,940

The notes on pages 43 to 64 form part of these accounts.

Consolidated and College Balance Sheets

As at 30 June 2020

	Note	Group 2020 £000	College 2020 £000	Group 2019 £000	College 2019 £000
NON-CURRENT ASSETS					
Tangible assets	12	209,426	209,314	196,968	196,828
Heritage assets	13	1,481	1,481	1,481	1,481
Investment assets	14	174,092	174,092	196,778	196,778
Total non-current assets		384,999	384,887	395,227	395,087
CURRENT ASSETS					
Stocks - good for resale		3,720	39	3,476	44
Trade and other receivables	15	2,148	7,281	4,858	7,785
Cash and cash equivalents	16	9,758	8,162	2,885	2,658
Total current assets		15,626	15,482	11,219	10,487
CREDITORS: amounts falling due within one year	17	(5,846)	(5,677)	(6,971)	(6,185)
NET CURRENT ASSETS		9,780	9,805	4,248	4,302
TOTAL ASSETS LESS CURRENT LIABILITIES		394,779	394,692	399,475	399,389
CREDITORS: amounts falling due after more than one year	18	(18,385)	(18,385)	(16,584)	(16,584)
Provisions					
Pension provisions	19	(5,363)	(5,363)	(5,951)	(5,951)
TOTAL NET ASSETS		371,031	370,944	376,940	376,854
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	20	95,931	95,931	100,380	100,380
Income and expenditure reserve – restricted reserve	21	64,573	64,573	64,016	64,016
		160,504	160,504	164,396	164,396
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted reserve		210,527	210,440	212,544	212,458
TOTAL RESERVES		371,031	370,944	376,940	376,854

Approved by Council on 10th November 2020 and signed on their behalf by:

Dr T K Carne, First Bursar

The notes on pages 43 to 64 form part of these accounts.

Consolidated Cash Flow Statement
As at 30 June 2020

	2020 £000	2019 £000
Surplus for the year	(5,454)	13,001
Adjustment for non-cash items		
Depreciation	3,321	3,087
Gain/(loss) on endowments, donations and investment property	6,654	(3,744)
Pension scheme (credit)/debit	(1,042)	1,550
Increase in stocks	(245)	(360)
Decrease/(increase) in debtors	2,710	(2,511)
Increase in creditors	673	694
Adjusting for investing or financing activities		
Investment income	(6,926)	(6,414)
Interest payable	666	666
Profit on sale of non-current assets	2	-
Net cash flows from operating activities	359	5,969
Cash flows from investing activities		
Investment income	4,120	4,707
Non-current investment disposal	19,144	6,888
Payments to acquire non-current fixed assets	(15,781)	(17,151)
Payments to acquire non-current heritage assets	-	(15)
Payments to acquire non-current investments	(303)	(1,045)
Net cash flows from investing activities	7,180	(6,616)
Cash flows from financing activities		
Interest paid	(666)	(666)
	(666)	(666)
Increase/(decrease) in cash and cash equivalents in the year	6,873	(1,313)
Cash and cash equivalents at beginning of year	2,885	4,198
Increase/(decrease) in cash and cash equivalents in the year	6,873	(1,313)
Cash and cash equivalents at end of the year (note 16)	9,758	2,885

The notes on pages 43 to 64 form part of these accounts.

Notes to the Accounts
As at 30 June 2020

1. ACADEMIC FEES AND CHARGES

	2020 £000	2019 £000
College fees:		
Fee income received at the Regulated Undergraduate rate	1,778	1,648
Fee income received at the Unregulated Undergraduate rate	422	401
Fee income received at the Graduate rate	741	650
Total fee income	2,941	2,699
Other academic income	32	23
Cambridge Bursary Scheme	223	159
Total	3,196	2,881

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

	2020 £000	2019 £000
Accommodation		
College members	1,920	2,886
International programmes	213	182
Third parties	433	464
Catering		
College members	765	946
International programmes	50	50
Third parties	959	1,263
Total	4,340	5,791

3. SCHOOL INCOME

	2020 £000	2019 £000
Fees	5,724	5,869
HMRC Job Retention Scheme grant	185	-
Other income	96	139
Donations	111	9
Total	6,116	6,017

Notes to the Accounts
As at 30 June 2020

4. ENDOWMENT RETURN AND INVESTMENT INCOME

	2020 £000	2019 £000
4a. Analysis of Investment Income		
Income drawdown from endowment (note 4b)	5,757	5,423
Other investment income	852	754
Cash balances and shared equity properties	51	57
Royalties	266	180
	6,926	6,414
(Losses)/gains on investment assets:		
(Losses)/gains on total return investment assets (below)	(6,066)	3,426
(Losses)/gains on other investment assets	(588)	318
	(6,654)	3,744

4b. Summary of Total Return

	2020 £000	2019 £000
Income from:		
Freehold land and buildings	1,452	1,570
Quoted securities and cash	2,950	2,709
	4,402	4,279
(Losses)/gains on total return investment assets:		
Freehold land and buildings	(4,148)	(1,656)
Quoted securities and cash	(1,918)	5,082
	(6,066)	3,426
Investment management costs in respect of:		
Freehold land and buildings	(558)	(584)
Quoted securities and cash	(349)	(354)
	(907)	(938)
Total return for the year	(2,571)	6,767
Transfer to income and expenditure reserve (note 4a)	(5,757)	(5,423)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 22)	(8,328)	1,344

Notes to the Accounts
As at 30 June 2020

5. OTHER INCOME

	2020 £000	2019 £000
Tourist admissions and shop sales	1,987	2,480
Chapel and choir	274	455
HMRC Job Retention Scheme grant	510	-
Other income	87	103
Total	2,858	3,038

6. EDUCATION EXPENDITURE

	2020 £000	2019 £000
Teaching	2,528	2,572
Tutorial	689	691
Admissions - General	442	450
Admissions - Access and Widening Participation	829	714
Research	1,297	1,228
Scholarships and awards	983	1,076
Other educational facilities	547	557
Total	7,315	7,288

7. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE

	2020 £000	2019 £000
Accommodation		
College members	4,097	4,024
Third parties	1,043	1,022
Catering		
College members	1,438	1,430
Third parties	999	1,020
Total	7,577	7,496

8. SCHOOL EXPENDITURE

	2020 £000	2019 £000
Staff costs	4,382	4,062
Other expenditure	1,075	1,265
Depreciation	409	376
Total	5,866	5,703

9. OTHER EXPENDITURE

	2020 £000	2019 £000
Investment management costs	1,043	1,052
Loan interest	666	666
Tourist admission and shop expenditure	670	723
Chapel expenditure	1,143	1,527
Development	151	186
FRS 102 pension provision	(885)	1,706
Other expenditure	176	176
Total	2,964	6,036

	2020 £000	2019 £000
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	6
Total fees payable	40	37

10. ANALYSIS OF EXPENDITURE BY ACTIVITY

2019/20	Staff costs £000	Other operating expenses £000	Deprecia-tion £000	Total £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
	11,433	9,110	3,321	23,864

2018/19	Staff costs £000	Other operating expenses £000	Deprecia-tion £000	Total £000
Education	3,058	3,595	635	7,288
Accommodation, catering and conferences	3,352	2,211	1,933	7,496
School	4,062	1,265	376	5,703
Other	2,820	3,073	143	6,036
Contribution under Statute G,II	-	151	-	151
	13,292	10,295	3,087	26,674

The above expenditure includes £461k as the cost of fundraising (2018/19: £568k).

11. STAFF EXPENDITURE

	College fellows £000	Non-academic £000	School £000	Total 2020 £000	Total 2019 £000
Staff costs					
Salaries and wages	1,747	4,952	3,413	10,112	9,698
National Insurance	130	376	319	825	792
Pension contributions (see note 25)	(159)	5	650	496	2,802
	1,718	5,333	4,382	11,433	13,292

Average staff numbers	**No. of Fellows**	**FTE non-academic staff**	**FTE school staff.**
2019/20	105	185	97
2018/19	98	181	98

At the balance sheet date there were 126 members of the Governing Body. During the year the average number receiving remuneration was the 105 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:

	2020	**2019**
£100,000-£109,999	1	2
£110,000-£119,999	-	2
£120,000-£129,999	2	-

	2020 £000	**2019 £000**
During the year remuneration paid to key management personnel in their capacity as College Fellows were:		
Key management personnel aggregated remuneration	632	504

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.

12. FIXED ASSETS

a) CONSOLIDATED

Cost	Freehold Land	Buildings	Asset in Course of Construction	Plant Furniture and equipment	Computer Equipment	**Group 2020 £000**	**Group 2019 £000**
At 1 July 2019	66,885	90,019	12,642	43,710	1,696	214,952	196,673
Additions	-	7,893	7,024	750	114	15,781	17,151
Disposals	-	-	-	(13)	-	(13)	-
Revaluation in year	-	-	-	-	-	-	1,128
Transfer from assets in construction	-	9,544	(9,554)	10	-	-	-
At 30 June 2020	66,885	107,456	10,112	44,457	1,810	230,720	214,952
Depreciation							
At 1 July 2019	-	6,702	-	9,801	1,481	17,984	14,897
Charge for the year	-	1,345	-	1,889	87	3,321	3,087
Disposals	-	-	-	(11)	-	(11)	-
At 30 June 2020	-	8,047	-	11,679	1,568	21,294	17,984
Net book value – Group	66,885	99,409	10,112	32,778	242	209,426	196,968
Net book value is represented by;							
College	66,885	88,014	10,112	32,267	161	197,439	184,729
School	-	11,395	-	511	81	11,987	12,239
Total	66,885	99,409	10,112	32,778	242	209,426	196,968

b) COLLEGE

Cost	Freehold Land	Buildings	Asset in Course of Construction	Plant, Furniture and equipment	Computer Equipment	**College 2020 £000**	**College 2019 £000**
At 1 July 2019	66,885	90,020	12,632	43,505	1,620	214,662	196,414
Additions	-	7,894	7,024	748	113	15,779	17,120
Disposals	-	-	-	(13)	-	(13)	-
Revaluation in year	-	-	-	-	-	-	1,128
Transfer from assets in construction	-	9,544	(9,554)	10	-	-	-
At 30 June 2020	66,885	107,458	10,102	44,250	1,733	230,428	214,662
Depreciation							
At 1 July 2019	-	6,702	-	9,718	1,414	17,834	14,776
Charge for the year	-	1,345	-	1,870	76	3,291	3,058
Disposals	-	-	-	(11)	-	(11)	-
At 30 June 2020	-	8,047	-	11,577	1,490	21,114	17,834
Net book value - College	66,885	99,411	10,102	32,673	243	209,314	196,828
Net book value is represented by;							
College	66,885	88,016	10,102	32,162	162	197,327	184,589
School	-	11,395	-	511	81	11,987	12,239
Total	66,885	99,411	10,102	32,673	243	209,314	196,828

12. FIXED ASSETS (continued)

c) The insured value of freehold land and buildings as at 30 June 2020 was £296 million (£264 million at 30 June 2019).

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:

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000	2015 £000
Balance at beginning of year	1,481	1,466	1,466	1,466	1,446	942
Acquisitions purchased with specific donations	-	-	-	-	-	500
Acquisitions purchased with College funds	-	15	-	-	20	4
Total cost of acquisitions purchased	-	15	-	-	20	504
Balance at end of year	1,481	1,481	1,466	1,466	1,466	1,446

14. INVESTMENTS ASSETS

	Group 2020 £000	College 2020 £000	Group 2019 £000	College 2019 £000
Balance at beginning of year	196,778	196,778	197,167	197,167
Additions	28,610	28,610	6,392	6,392
Disposals	(44,490)	(44,490)	(9,817)	(9,817)
Gain/(loss)	(6,675)	(6,675)	4,419	4,419
Decrease in cash balances held	(131)	(131)	(1,383)	(1,383)
Balance at end of year	174,092	174,092	196,778	196,778
Represented by:				
Quoted securities and unit trusts	121,457	121,457	124,375	124,375
Quoted securities – fixed interest	5,139	5,139	9,511	9,511
Freehold land and buildings	31,901	31,901	42,120	42,120
Investment in subsidiary undertakings	-	-	-	-
Unlisted securities	7,288	7,288	12,162	12,162
Cash with fund managers	4,719	4,719	5,012	5,012
College joint equity scheme	2,374	2,374	2,384	2,384
Literary royalties	1,214	1,214	1,214	1,214
Total	174,092	174,092	196,778	196,778

Subsidiary Undertakings

At 30 June 2020, 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 2020 £000	College 2020 £000	Group 2019 £000	College 2019 £000
Members of the College	60	60	63	63
Trade debtors	277	181	370	169
Amounts due from subsidiary companies	-	5,488	-	3,717
Other debtors	1,811	1,552	4,425	3,836
	2,148	7,281	4,858	7,785

16. CASH AND CASH EQUIVALENTS

	Group 2020 £000	College 2020 £000	Group 2019 £000	College 2019 £000
Bank deposits	70	70	380	380
Current accounts	9,683	8,087	2,498	2,272
Cash in hand	5	5	7	6
	9,758	8,162	2,885	2,658

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2020 £000	College 2020 £000	Group 2019 £000	College 2019 £000
Bank loan	205	205	211	211
Members of the College	127	127	117	117
Trade creditors	528	411	1,073	898
Accruals and deferred income	1,849	1,737	1,833	1,712
Social security, pension and taxes	265	265	284	284
University fees	655	655	9	9
Contribution to Colleges fund	142	142	151	151
Amounts due to subsidiary companies	-	72	-	512
Other creditors	2,075	2,063	3,293	2,291
	5,846	5,677	6,971	6,185

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

	Group 2020 £000	College 2020 £000	Group 2019 £000	College 2019 £000
Project Tintagel loan	15,000	15,000	15,000	15,000
Interest-free loan from a donor	2,000	2,000	-	-
School bank loan	1,385	1,385	1,584	1,584
	18,385	18,385	16,584	16,584

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 2020 was £1,384,615

19. PENSION PROVISIONS

	CCFPS £000	USS £000	Total 2020 £000	Total 2019 £000
Balance at beginning of year	(3,589)	(2,362)	(5,951)	(4,109)
Movement in year:				
Current service cost	-	-	-	-
Contributions paid by the College	157	-	157	157
Change in expected contribution	-	1,026	1,026	(1,524)
Finance cost	(104)	(37)	(141)	(182)
Actuarial gains recognised in statement of comprehensive income and expenditure	(454)	-	(454)	(293)
Balance at end of year	(3,990)	(1,373)	(5,363)	(5,951)

20. ENDOWMENTS

Group and College	Restricted Permanent Endowments 2020 £000	Unrestricted Permanent Endowments 2020 £000	Total 2020 £000	Total 2019 £000
Balance at beginning of year:				
Capital	37,160	63,220	100,380	99,314
New donations and endowments	283	-	283	267
Increase in market value of investments	(1,869)	(2,863)	(4,732)	799
Transfer from General Reserves	-	-	-	-
Balance at end of year	35,574	60,357	95,931	100,380
Analysis by type of purpose:				
Student support	23,368	-	23,368	24,585
Fellowship	4,743	-	4,743	5,000
Chapel and choir	3,433	-	3,433	3,362
Other funds	4,030	-	4,030	4,213
General endowments	-	60,357	60,357	63,220
	35,574	60,357	95,931	100,380

20. ENDOWMENTS (continued)

	Restricted Permanent Endowments	Unrestricted Permanent Endowments	Total 2020 £000	Total 2019 £000
Analysis by asset:				
Property	6,519	11,061	17,580	21,888
Investments	28,091	47,660	75,751	75,888
Cash	964	1,636	2,600	2,604
	35,574	60,357	95,931	100,380

21. RESTRICTED RESERVES

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	Total 2020 £000	Total 2019 £000
Group and College					
Balance at beginning of year	11,967	8,234	43,815	64,016	51,433
Comprising:					
Capital	-	-	43,815	55,782	44,174
Unspent income	11,967	8,234	-	8,234	7,259
Balance at beginning of year	11,967	8,234	43,815	64,016	51,433
New grants	686	-	-	686	8,962
New donations	-	848	784	1,632	3,389
Endowment return transferred	-	1,378	1,289	2,667	2,477
Other income	-	222	223	445	311
(Decrease)/increase in market value of investments	-	(124)	(1,866)	(1,990)	275
Expenditure	-	(1,200)	(1,683)	(2,883)	(2,752)
Capital grants utilised	-	-	-	-	(40)
Transfer	(4)	-	4	-	(39)
Balance at end of year	12,649	9,358	42,566	64,573	64,016
Comprising:					
Capital	-	-	42,566	42,566	43,815
Unspent income	12,649	9,358	-	22,007	20,201
Balance at end of year	12,649	9,358	42,566	64,573	64,016

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 2020 £000	Total 2019 £000
Student support	-	6,853	13,164	20,017	19,617
Fellowship	-	863	6,679	7,542	7,760
Chapel and choir	-	970	17,180	18,150	18,496
Buildings	12,649	-	2,633	15,282	14,718
Other funds	-	672	2,910	3,582	3,425
	12,649	9,358	42,566	64,573	64,016

22. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Memorandum of Unapplied Total Return	2020 £000	2019 £000
Within reserves the following amounts represent the Unapplied Total Return of the College:		
Unapplied total return at the beginning of year	95,866	94,522
Unapplied total return for the year (note 4b)	(8,328)	1,344
Unapplied total return at end of year	87,538	95,866

23. RECONCILIATION AND ANALYSIS OF NET DEBT

	At 1 July 2019 £000	Cash Flows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2020 £000
Cash and cash equivalents	2,885	6,873	-	-	9,758
Borrowings: Amount falling due within one year:					
Secured loans	(211)	6	-	-	(205)
Borrowings: Amount falling due after more than one year:					
Secured loans	(16,584)	(1,801)	-	-	(18,385)
Total net debt	(13,910	5,078	-	-	(8,832)

24. FINANCIAL INSTRUMENTS

	2020 £000	2019 £000
Financial assets at fair value through Statement of Comprehensive income		
Listed equity investments (note 14)	133,884	146,048
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents (note 14 and 16)	14,477	7,897
Other equity investments (note 14)	2,374	2,384
Loan notes		
Other debtors (note 15)	1,861	4,554
Financial liabilities		
Financial liabilities measured at amortised cost		
Bank overdraft		
Loans (note 17 and 18)	16,590	16,795
Trade creditors (note 17)	528	1,073
Other creditors (note 17)	5,263	3,853

25. CAPITAL COMMITMENTS

Authorised future capital expenditure amounted to £19,539,000 at 30 June 2020 including works on Croft Gardens, Old Garden, Chetwynd Court, Cranmer Road, Wilkins' Hall Roof, Keynes and the Chapel (£15,348,000 at 30 June 2019). In addition the College has committed to invest a further £1.85 million in Private Equity funds.

26. FINANCIAL COMMITMENTS

At 30 June 2020 and 2019 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:

27. PENSION SCHEMES (continued)

	2020 £000	2019 £000
University Superannuation Scheme (includes FRS 102)	(187)	2,313
Cambridge Colleges' Federated Pension Scheme (includes FRS 102)	53	(7)
Teachers' Pension Scheme	406	314
Church of England Funded Pension Scheme	24	19
NOW: Pensions	200	163
	496	2,802

University Superannuation Scheme (USS)

The total cost charged to the statement of comprehensive income and expenditure is -£187k (2018/19 £2,313k).

At the financial year end the latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2018 (the valuation date). This was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

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%

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

The current life expectancies on retirement at age 65 are:

	2018 valuation	**2017 valuation**
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

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 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions.

	2020	**2019**
Discount rate	1.45%	1.58%
Pensionable salary	n/a	n/a
Pension increases (CPI)	2.7%	2.11%

Notes to the Accounts

As at 30 June 2020

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 2020, 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:

	2020 % p.a.	2019 % p.a.
Discount rate	1.45	2.25
RPI assumption	3.10	3.40
CPI assumption	2.20	2.40

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2019 future improvement factors and a long-term rate of future improvement of 1.25% p.a, a standard smoothing factor (7.0) and no allowance for additional improvements (2019: S3PA with CMI_2018 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 21.8 years).
- Female age 65 now has a life expectancy of 24.2 years (previously 24.0 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.1 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.6 years (previously 25.5 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	62	60

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.

27. PENSION SCHEMES (CCFPS continued)

The amounts recognised in the Balance Sheet as at 30 June 2020 (with comparative figures as at 30 June 2019) are as follows:

	2020 £000	2019 £000
Present value of plan liabilities	(17,960)	(17,123)
Market value of plan assets	13,969	13,533
Net defined benefit asset/(liability)	(3,991)	(3,590)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2020 (with comparative figures for the year ending 30 June 2019) are as follows.

	2020 £000	2019 £000
Current service cost & ongoing expenses	23	23
Interest on net defined benefit (asset)/liability	81	89
Loss on plan changes	-	52
Total	104	164

Changes in the present value of the plan liabilities for the year ending 30 June 2020 (with comparative figures for the year ending 30 June 2019) are as follows:

	2020 £000	2019 £000
Present value of plan liabilities at beginning of period	17,123	15,949
Current service cost (including Employee contributions)	-	-
Benefits paid	(750)	(548)
Interest on plan liabilities	377	423
Actuarial (gains)/losses	1,210	1,247
Loss on plan changes	-	52
Present value of plan liabilities at end of period	17,960	17,123

Changes in the fair value of the plan assets for the year ending 30 June 2020 (with comparative figures for the year ending 30 June 2019) are as follows:

	2020 £000	2019 £000
Market value of plan assets at beginning of period	13,533	12,659
Contributions paid by the College	157	157
Employee contributions	-	-
Benefits paid	(780)	(577)
Interest on plan assets	296	334
Return on assets, less interest included in Profit & Loss	763	960
Market value of plan assets at end of period	13,969	13,533
Actual return on plan assets (including interest)	1,059	1,294

27. PENSION SCHEMES (CCFPS continued)

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2020 (with comparative figures for the year ending 30 June 2019) are as follows:

	2020	**2019**
Equities	49%	57%
Bonds & Cash	41%	34%
Property	10%	9%
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 2020 (with comparative figures for the year ending 30 June 2019) are as follows:

	2020 £000	**2019 £000**
Actual return less expected return on plan assets	763	960
Experience gains and losses arising on plan liabilities	198	12
Changes in assumptions underlying the present value of plan liabilities	(1,415)	(1,265)
Actuarial (loss)/gain recognised in OCI	(454)	(293)

Movement in surplus/(deficit) during the year ending 30 June 2020 (with comparative figures for the year ending 30 June 2019) are as follows:

	2020 £000	**2019 £000**
Surplus/(deficit) in plan at beginning of year	(3,590)	(3,290)
Recognised in Profit and Loss	(104)	(164)
Contributions paid by the College	157	157
Actuarial (loss)/gain recognised in OCI	(454)	(293)
Surplus/(deficit) in plan at the end of the year	(3,991)	(3,590)

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.

27. PENSION SCHEMES (CCFPS continued)

The last such valuation was as at 31 March 2017. 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 28 June 2018 and are as follows:

- Annual contributions of not less than £136,777 p.a. payable for the period from 1 July 2018 to 30 September 2024.

These payments are subject to review following the next funding valuation, due as at 31 March 2020.

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 16.48% of teachers' gross salary (April 2019 to August 2019), increasing to 23.68% September 2019 onwards for those in the scheme while employee contributions are tiered and as from April 2017 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 £406,000 (2018/19 £314,000).

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).

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 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 2017 and over 2018 is set out in the table below.

	2019 **£'000**	**2018** **£'000**
Balance sheet liability at 1 July	39	48
Deficit contribution paid	(6)	(6)
Interest cost	1	1
Remaining change to the balance sheet liability*	(21)	(4)
Balance sheet liability at 30 June	13	39

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

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:

	2019	2018	2017
	% p.a.	% p.a.	% p.a.
Discount rate	1.1	2.1	1.4
Price inflation	2.8	3.1	3.0
Increase to total pensionable payroll	1.3	1.6	1.5

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 £200,000 (2018/19 £163,000).

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.

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	2020 Number	2019 Number
£0	£10,000	8	9
£10,001	£20,000	2	1
£20,001	£30,000	-	2
£30,001	£40,000	2	1
£40,001	£50,000	-	-
£50,001	£60,000	-	-
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	-	-
£90,001	£100,000	1	1
£100,001	£110,000	1	-
£110,001	£120,000	-	-
£120,001	£130,000	-	1
	Total	14	15

The total Trustee salaries were £301,953 for the year (2018/19 £314,908)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £78,961 for the year (2018/19 £76,115)

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.