

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Governing Body
Year ended 30 June 2020

Visitor: Chancellor of the High Court, Sir Geoffrey Vos

MEMBERS OF THE GOVERNING BODY

President: Professor David Ibbetson*

Fellows under Titles A, B, C and D (in order of Election)

Professor Charles Smith*	1993	Dr Justin Rivest	2016
Professor Maria Spillantini	1994	Dr Jennifer Bangham	2016
Dr Robert Carlyon	1996	Dr Kiyoko Gotanda	2016
Professor John Barrow	1999	Dr Mario Amado-Montero	2017
Professor Andrew Blake*	2000	Professor Emilio Artacho	2017
Dr Trudi Tate*	2001	Dr Tobias Baldauf*	2017
Professor Alan Short*	2002	Dr Carolyn Cobbold	2017
Dr Anthony Street	2002	Dr Nicole Cuunjieng	2017
Dr Ian Farnan	2002	Dr Kun Li	2017
Dr Lori Passmore	2005	Dr Pietro Lio	2017
Dr Elizabeth Rowe	2009	Mr Ian Strachan*	2017
Dr Sohini Kar-Narayan	2009	Professor Stephen Toope	2017
Dr Wai Yi Feng	2010	Professor Manohar Bance	2018
Professor Hasok Chang	2011	Dr Ems Lord	2018
Dr Iain Black*	2012	Dr Li Su	2018
Professor Richard McMahon	2013	Dr Berta Verd	2018
Dr Karen Ersche	2013	Professor George van Kooten*	2018
Ms Helen Pennant	2013	Professor Hugh Markus*	2018
Dr Annamaria Motrescu-Mayes	2013	Dr Juan Bermudez-Garcia	2019
Dr Lucia Tantardini	2013	Dr Bipasha Chakraborty	2019
Dr Marie Janson	2015	Dr Christopher Jenkins	2019
Dr Gabriel Byng	2015	Dr Adrian Mihai	2019
Dr Khaled Soufani	2016	Dr Juan Rodriguez-Molina	2019
Dr Mene Pangalos	2016	Dr Boyang Shen	2019

President of GSB*

Vice-President of GSB*

*Members who are also members of Council

Senior Officers of Clare Hall as at 30 June 2020

President	Professor David Ibbetson
Vice- President	Professor Alan Short
Senior Tutor	Dr Iain Black
Bursar	Mr Ian Strachan

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Professional Advisers

Auditors

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

Bankers

Barclays Bank plc
St Andrews Street
Cambridge
CB2 3AA

Investment Fund Managers

The Charities Property Fund
Savills Investment Management LLP
33 Margaret Street
London W1G 0JD

Cambridge University Endowment Fund
University of Cambridge Investment Office
Daedalus House
26-30 Station Road
Cambridge
CB1 2RE

Solicitors

Ashton KCJ
Chequers House
77 – 81 Newmarket Road
Cambridge
CB5 8EU

Clare Hall, Cambridge

Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

The Members of the Governing Body present the audited financial statements for the year ended 30 June 2020.

Founded in 1966 as a centre for advanced study, Clare Hall is a graduate college of the University of Cambridge. It was incorporated by Royal Charter on 22 October 1984 and is an autonomous, self-governing community of scholars. In accordance with its Statutes, the control of the College as a place of education, learning and research is vested in the Governing Body, which is responsible for administering the College's estates and property. The Council members are nominated by the Governing Body and act as Charity Trustees of the College and manage all operational matters. The Finance Committee consists of the President, the Vice President, the Bursar and four other members of the Governing Body, elected by the Governing Body. The Finance Committee exercises the authority delegated to it by the Governing Body to manage, in accordance with general policies laid down from time to time by the Governing Body, the land, property and investments of the College and its financial affairs in general and to direct the Bursar in the performance of his financial duties.

Scope of the financial statements

The financial statements cover the activities of the College during the year ended 30 June 2020 and the net assets as at that date. The College has no subsidiaries.

As a registered charity, charity number 1137491, the College is regulated by the Charity Commission. These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which comply with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education, adopted for accounting periods beginning after 1 January 2015).

Objects

The objects of the College are set out in its Royal Charter, effective from 1 January 1984. The College aims:

- To remain an independent graduate college within the University of Cambridge, dedicated to advanced study;
- To bring together research scholars of different nationalities and academic disciplines and to promote academic research of the highest quality by Fellows and postgraduate students;
- To integrate fully into the fabric of academic life senior visitors who come to Cambridge on study leave together with their spouses and partners;
- To encourage interdisciplinary links between scholars from all over the world;
- To achieve excellence in education at postgraduate level; and
- To maintain and enhance the endowments and benefactions, buildings and grounds of the College for the benefit of future generations.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

Public Benefit

In carrying out the governance of the College, the Governing Body has paid due regard to the published guidance from the Charity Commission on public benefit and requirements under the Charities Act 2011.

The College provides, in conjunction with the University of Cambridge, an education which is recognised internationally as being of the highest standard for some 200 fee paying graduate students. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In the financial year under consideration, the College members graduating achieved 14 PhDs and 48 Masters-level degrees (2018-19: 31 and 88 respectively). An additional 14 students completed their courses, but deferred graduating because of Covid restrictions.

In particular, the College provides:

- teaching facilities and pastoral, administrative and academic support for all students through its tutorial and mentoring systems; and
- social, cultural, musical, recreational and sporting facilities which enable each of its students to realise their academic and personal potential to the full whilst studying at the College.

The College advances research through:

- providing 26 Research Fellowships to outstanding young academics in the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting the research work of its other Fellows by promoting interaction across disciplines and providing facilities for seminars; and
- fostering academic networking by encouraging visits from outstanding academics from abroad as Visiting Fellows and Visiting Scholars.

The resident members of the College, both students and Fellows, are the primary beneficiaries and are directly engaged in education, learning or research. More widely, beneficiaries also include: students and academic staff from other colleges in Cambridge and the University of Cambridge, visiting academics from other higher education institutions and visiting alumni of the College who have an opportunity to attend educational events at the College and to use its academic facilities. The College maintains a Library, which provides a valuable resource for students and Fellows of the College. The general public is also able to attend various educational activities in the College such as lectures, seminars, concerts and art exhibitions.

The College admits students who have the highest potential for benefiting from the education provided by the College and the University, regardless of their financial, social, religious or ethnic background:

- there are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly aged 21 years and above; and
- there are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

Clare Hall, Cambridge

Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

The focus of the College is strongly academic and students are required to satisfy high academic entry requirements. To support the costs of graduate students, the College provides various scholarships and bursaries, to help fund fees and living costs. The total awarded in 2019-20 was £180,130 (2018-19 £161,844). The College also supports students through a grant scheme to assist with attendance at conferences and travel grants. The total awarded in 2019-20 was £7,944 (2018-19 £13,851). In addition to other programmes, the College operates a scheme for students in financial hardship. The total awarded in 2019-20 was £24,930 (2018-19 £24,657), including an exceptional allocation of £4,246 to support students who had experienced financial hardship as a result of the Covid pandemic. To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to Clare Hall, the College provides guidance and information for prospective applicants on the College website and through staff in its Tutorial Office.

In order to fulfil its charitable purposes of advancing education, learning and research, the College employs a number of Fellows as Tutors and senior administrative officers. All serve as members of the College Governing Body. The employment of the President and Fellows is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows through salaries, stipends and employment-related benefits is objectively reasonable, measured against academic stipends generally; moreover annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a college in the University of Cambridge.

Funding

The College funds its activities through academic fees, by charging for student and Visiting Fellows' accommodation and catering services, from investment income, and through individual and corporate donations and bequests. The College does not use an external fundraiser.

Achievements and Performance

The College's goal is to promote an international community of Cambridge academics, post-graduate students and visiting scholars to make Clare Hall an outstanding College.

The five key performance objectives were set by the Governing Body in 2015, as follows:

- (i) To raise £20m;*
- (ii) To attract Visiting Fellows of International Standing;*
- (iii) To ensure that students enjoy the Clare Hall experience;*
- (iv) To ensure that the College operates efficiently and effectively; and,*
- (v) To progress with the project to spruce up communal space.*

During the first eight months of the year under review the College continued to make good progress on the above objectives, including:

- increasing engagement with alumni, with a number of successful events for Life members;
- the participation in College life of a number of internationally eminent Visiting Fellows;
- a strong, active Graduate Study Body, organising and supporting many successful student activities;
- the appointment of a new Domestic Bursar to oversee operations, and
- ongoing planning for the development of No. 4 Herschel Road, and for the Erskine landscaping project.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

Covid 19

The last four months of the year was dominated, however, by the developing Covid 19 pandemic and the need to address immediate operational and financial challenges. The financial statements reflect the impact of four months of 'lockdown' from March 2020 and, although the College has been relatively resilient to some of the negative financial effects, there has still been a significant loss of income during the period under review.

Income

Occupancy of student accommodation remained above 50% throughout the lockdown period, which mitigated the loss of rental income. Our catering operations continued, albeit with a restricted service, and the impact of the loss of our relatively small summer conference and events activities was only beginning to be felt by the end of June. Income from academic fees, and from investments, both showed small increases on the prior year.

Unfortunately the College was unsuccessful in its application for a grant from the Colleges Fund during the year (2018-19 £105,000), which would have been a welcome addition to the College's income. Positively, the College was deemed not to be amongst the most vulnerable colleges in greatest financial need, to whom the Colleges Fund grants have been targetted.

Expenditure

The College has continued to provide the highest level of services and support to the students, Fellows, Visiting Fellows and College Members. This has included additional resources in the Tutorial team to support students affected by the pandemic, with special Covid hardship grants being awarded to students in particular need. The College is continuing to maintain the quality of its IT infrastructure and capacity, and to improve cleaning, safety and security across the College site. The health and safety of all College members has been an absolute priority. These measures have resulted in an increase in operating expenditure from £4,071,579 in 2018-19 to £4,298,088 in 2019-20.

Development

During 2019-20 the Development Office has continued to build on the engagement with the alumni base, has strengthened communications with Life Members and has contributed to the generation of £361,315 in total donations (2018-19 £518,601). In accordance with good practice for charities, the College is registered with the Fundraising Regulator.

Visiting Fellows

Throughout the year the College has continued to attract top quality Visiting Fellows with the provision of excellent accommodation and facilities. These senior academics with established reputations are one of the most important constituents of the College. The majority of Visiting Fellows left College early during the year as a result of the lockdown and a number of Visiting Fellowships awarded for 2020-21 are being deferred, which will have a significant impact on our income.

Fixed assets

Discretionary capital and maintenance expenditure has been minimised wherever possible, with the only significant addition during the year being ongoing design work for the proposed development of student accommodation on the site at No. 4 Herschel Road.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

Financial Review

Changes to the Financial Statements

The financial statements are presented in accordance with the Recommended Cambridge Colleges Accounts (RCCA). The statements comply with the FE/HE SORP and FRS102.

Statement of Comprehensive Income and Expenditure

The single Statement of Comprehensive Income and Expenditure ('the SOCIE') features three columns: Unrestricted, Restricted and Endowment Income, so that the various income and expenditure flows can be shown separately. All donations and investment gains are included as income in the SOCIE.

Unrestricted Income and Expenditure shows a net deficit of £792,338 compared to the 2018-19 deficit of £365,936. This significant increase in the deficit is a result of the reduction in income and increases in expenditure noted above, an unrealised loss in the valuation of investments, and an actuarial loss on the CCFPS pension scheme.

Restricted Income includes all donations which are deemed to be restricted. There have been several specific donations during the year amounting to £195,708 (2018-19 £401,586).

Endowment Income of £1,076,659 (2018-19 £1,034,025) represents income from all invested endowment funds, where the capital cannot be spent as income. Endowment returns transferred consist of £610,250 (2018-19 £584,326) to Unrestricted Reserves and £466,409 (2018-19 £449,699) to Restricted Reserves.

Maintenance of buildings A planned rolling maintenance programme seeks to ensure that the estate is maintained to the highest standard. Expenditure on routine repairs, maintenance, electrical, and painting works carried out during the year amounted to £282,395 (2018-19 £289,955).

Statement of Changes in Reserves

The Statement of Changes in Reserves shows total funds of £34.2m held by the College at 30 June 2020 comprising £10.6m in unrestricted funds (of which £1.268m is free reserves); £5.16m is attributable to restricted funds and £18.4m to the endowment. No material amounts have been designated or otherwise committed at the year end. There have been no material additions to the unrestricted endowment since 2007. The strategic objectives of the College include raising further unrestricted funds to strengthen reserves and to cover eventualities, such as future capital acquisitions, exceptional items, emergencies and general contingencies.

Balance Sheet

The operational fixed assets continue to be carried at historical cost or existing depreciated replacement cost values. Heritage assets are included using a reasonably ascertained (partial) valuation and the Balance Sheet includes the College's estimated share of the Universities Superannuation Scheme pension liability. No accrual has been made for holiday pay as this is deemed immaterial.

Creditors include a payment of £16,605 (2018-19 £152,484) due to the University for Composition Fees and which has since been paid.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

The Balance Sheet liabilities include provisions for pension scheme liabilities as follows:

- The deficit for the Cambridge College's Federated Pension Scheme [CCFPS] of £875,784 has increased from £669,611 last year.
- The deficit for the Universities Superannuation Scheme of £120,099 compares with a deficit of £185,078 last year.

The balance sheet is weaker by £691,066 over the previous year, arising mainly from the deficit on operations, as explained above, and the decrease in the valuation of investments.

Cash flow and Treasury Management

At the end of the financial year the College held a cash balance of £397,001 (2019 £880,041). This included an amount of £16,605 (2019 £152,484) due to the University in respect of the balance of fees for 2019-20. At 30 June 2020, the College had outstanding loans of £3.4m from Barclays Bank plc. £1.9m of this was borrowed in 2018 on a five-year medium term facility to fund the acquisition of No. 4 Herschel Road, £1m of this was taken out in 2001 to help fund the acquisition and refurbishment of other properties in Herschel Road and the balance of £0.5m was borrowed in January 2009. The availability of short-term overdraft facilities have been negotiated with Barclays Bank for use if required.

The Endowment and Investment Performance

Since June 2010 the major part of the College's endowment has been invested in the Cambridge University Endowment Fund (CUEF).

The CUEF is effectively a unit trust, in which the College has purchased units, and from which it receives a monthly dividend. The total number of units held with CUEF at 30 June 2020 was 463,789 at £58.41 each, with a value of £27.1m. The distribution rate for the University's financial year to 31 July 2020 was 216.54 pence per unit. In order to meet its long term objective of increasing asset values, after paying distributions, by 1% more than inflation, the fund has a revised objective of achieving total returns of CPI plus 5% per annum. The fund has been reporting against this objective with effect from 1 July 2019. The proportion of the College's endowment funds invested in the CUEF represents 93.4% of the total endowment funds (2019 93.5%). The remaining 6.6% (2019 6.5%) continues to be held with the Charities Property Fund to add diversification to the asset allocation of investments.

The asset allocation of the CUEF as at 30 June 2020 is shown below, representing a transitional point towards a target asset allocation.

<i>Asset Class</i>	<i>Allocation 2020 %</i>	<i>Allocation 2019 %</i>
Public equities	47	59
Real assets (including property)	9	9
Absolute return (including hedge funds)	8	8
Credit strategies	5	5
Fixed interest (including cash)	16	7
Private investments	15	12

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

The day-to-day management of non-property assets is delegated to the Cambridge University Endowment Fund (CUEF). Performance is monitored against a customised benchmark made up of 50% FTSE All-Share Index, 25% MSCI AC World Index and 25% FTA UK Government All Stocks Index. The WM unconstrained ex property Charity Universe is used as an additional benchmark in order to compare the investment managers' performance with that of their peers.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations. In the long-term, the College aims to continue to meet its charitable objectives in perpetuity and to seek to build up its reserves so as to support this aim.

The Governing Body has set a target for free reserves of six month's expenditure on charitable activities, currently approximately £2m. However, should the College experience cash-flow difficulties, the Governing Body would, initially, review and defer discretionary capital and maintenance expenditure currently included within the Estate Action Plan. Should significant benefactions not be received, then further cash shortfalls will have to be met by realisations from the endowment.

At 30 June 2020 the College had total funds of £34.2m (2019 £34.9m), comprising £10.6m in unrestricted funds, of which £1.27m is free reserves, after deduction of tangible fixed assets and heritage assets. Unrestricted funds have reduced in the current year as a result, principally, of reductions in income and increases in expenditure as a consequence of Covid, the loss in the valuation of investments, and the actuarial loss on pension liabilities.

Free reserves have reduced from £1.97m at 30 June 2019 to £1.27m at 30 June 2020, as a result of the deficit on unrestricted reserves for the year. The Trustees do not consider this reduction to be of immediate concern, and are satisfied that the College has sufficient reserves to meet its current and future financial obligations and its charitable objectives in the long term. However the financial consequences of an extended pandemic would seriously damage the College's financial position, potentially requiring substantive restructuring of its operations.

Principal Risks and Uncertainties

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and control systems have been established to mitigate those risks. A Risk Register has been prepared for approval and continuing review by the Governing Body with the main strategic risks grouped under four headings: Governance, Academic, Financial Health and Operations. College committees monitor these risks on an ongoing basis and conduct an annual review of the main strategic risks for which each committee is responsible.

During the year the College has carried out its annual Health and Safety Review and a Fire Risk Assessment. Regular testing includes fixed wiring, portable appliances, fire alarms, emergency lighting and fire extinguishers. Planned Preventative Maintenance continues to provide considerable mitigation of key property risks, and there is improved maintenance and management of the swimming pool and gym.

Health and Safety has been a key risk during the current year, with the College developing specific policies and procedures in response to the evolving Covid pandemic.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

Energy Conservation

The College aims to reduce its energy consumption each year through use of energy-efficient boilers and lighting, improved insulation and reduced waste. As well as setting up clear processes for improving environmental performance in areas such as energy use, recycling and sustainable travel, the College has also considered wider environmental issues such as biodiversity, procurement, and sustainable food.

Future Plans

The year ahead is uncertain, with ongoing reductions in income from accommodation, catering and conferences, but the need to maintain the level of operational support to provide the quality of infrastructure and services which will continue to attract the best students and Visiting Fellows. The budget for 2020-21 is for a significant operating deficit. The appointment of a new President, Professor Alan Short, to serve for seven years from 1 August 2020, together with the uncertain future impact of the pandemic, provide both an opportunity and a challenge for the College to review its short and longer term objectives. This process has commenced with an in-depth review of the College's external communications.

Current indications are that student numbers will be in line with the target for the 2020-21 academic year, which is encouraging for fee income and for rental income from student accommodation. However Visiting Fellow numbers are lower, which has a significant financial impact, and plans are being put in place to focus on welcoming back Visiting Fellows, and on giving them the best possible experience during their time at Clare Hall. Other future developments to note include the next phases of the property development at No. 4 Herschel Road, and on the renovation of the external landscaping. The College will also be considering its response to the University's recently published Divestment Report, in the context of the Divestment Resolutions passed by the Governing Body in 2019.

Finally, the Governing Body would like to express its appreciation to Professor David Ibbetson for his outstanding service to the life and development of the College during his Presidency. The Governing Body also notes, with deep sadness, the death of Professor John Barrow, Fellow of the College since 1999, dear friend and colleague, whose contribution to the work and Fellowship of the College has been outstanding.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

Corporate Governance

1. The following statement is provided by the Governing Body 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.
2. The College is a registered charity (registered number 1137491) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the Charity Trustees; overall management and control are delegated to them by the Governing Body, and they are responsible for ensuring compliance with charity law, other statutory duties and operational matters. It is the duty of the Council to keep under review the effectiveness of the operating processes, performance, systems and controls.
3. The Governing Body is assisted by a number of Committees.
Council
Finance Committee
Official Fellowship Committee
Fellowship Committee
4. 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; to advise the Governing Body on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to make an annual report to the Governing Body. Membership of the Finance Committee includes the President, Vice President and Bursar ex officio, plus 4 other members of the Governing Body, to include the Senior Tutor, or a Tutor, with the Graduate Student Body President and Treasurer in attendance.
5. The principal officers of the College during the year were:
President Professor David Ibbetson
Vice President Professor Alan Short
Senior Tutor Dr Iain Black
Bursar Ian Strachan
6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are made systematically at meetings.
7. The Members of the Governing Body during the year ended 30 June 2020 are set out on page 1. Members of Council are identified with an asterisk.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Report of the Governing Body, Year ended 30 June 2020

Statement of Internal Control

1. The Governing Body 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 these financial statements.
4. The Governing Body is responsible for reviewing the overall effectiveness of the system of internal control. As part of its supervision of the College's activities, Council identifies and considers the major risks to which the College is exposed, and establishes systems and procedures to manage those risks which have been categorised under four headings, as follows: Governance, Academic, Financial Health and Operations.
5. The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their Audit Matters and other reports.

Approved by the Governing Body on 25 November 2020

and signed on their behalf by:



Professor C Alan Short
President



Ian Strachan
Bursar

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Statement of Responsibilities of the Governing Body

The Finance Committee is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is the duty of the Bursar to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University, to the Governing Body.

In causing the financial statements to be prepared, the Governing Body has ensured that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent; and
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Independent Auditors' Report to the Governing Body of Clare Hall

Opinion

We have audited the financial statements of Clare Hall (the 'College') for the year ended 30 June 2020 which comprise the statement of comprehensive income and expenditure, the College balance sheet, the cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 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 Auditor's 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 Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governing Body 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.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Independent Auditors' Report to the Governing Body of Clare Hall

Other information

The other information comprises the information included in the Report of the Governing Body other than the financial statements and our auditor's report thereon. The Governing Body are responsible for the other information. 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 Governing Body; 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 Governing Body

As explained more fully in the Governing Body's responsibilities statement set out on page 13, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 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 Governing Body either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Independent Auditors' Report to the Governing Body of Clare Hall

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the College Governing 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 College Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College Governing Body, for our audit work, for this report, or for the opinions we have formed.

Peters Elworthy & Moore

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: *14 - December 2020*

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

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Statement of Principal Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom accounting standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that the College is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 7.

Basis of accounting

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

Consolidation

The College has no subsidiaries. The financial statements do not include the activities of student societies.

Recognition of income

Academic fees

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

Restricted grant income

Grants received for restricted purposes are recognised as income to the extent that relevant expenditure has been incurred.

Donations and benefactions

Charitable donations are recognised on receipt or where there is probability of future receipt and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor.

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.

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.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Statement of Principal Accounting Policies

Investment income and changes in value of investment assets

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

Capital grants and donations

Grants and donations of, or for the acquisition of, freehold land or heritage assets, which are non-depreciable assets, are credited to the income and expenditure account in the year of acquisition.

Other income

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

Endowment and investment income

All investment income is credited to the income and expenditure account in the period in which it is earned. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

Foreign currency translation

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

Tangible fixed assets

Land and buildings

Operational land and buildings are stated at historic cost, or at depreciated replacement cost. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 50 years. Freehold land is not depreciated.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to permanent capital.

Finance costs which are directly attributable to the construction of buildings are not capitalised as part of the cost of those assets.

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

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

The cost of additions to operational property shown in the balance sheet includes the cost of land.

Maintenance of premises

The College has a five year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure account as it is incurred.

Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £5,000 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Plant and machinery	4% per annum
Furniture and fittings	15% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	25% per annum

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Statement of Principal Accounting Policies

Rare books, silver, works of art and other assets not related to education

Assets deemed to be inalienable are not included in the balance sheet.

Leased assets

Fixed assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the lease. The excess of lease payments over recorded lease obligations is treated as a finance charge, which is amortised over the lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical artistic or scientific importance. Heritage assets acquired before 1 July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 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

Fixed asset investment and endowment assets are included in the balance sheet at market value.

Stocks

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

Provisions

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

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.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Statement of Principal Accounting Policies

Financial Instruments (continued)

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

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

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

Financial Liabilities

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

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

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

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

Taxation

The College is a registered charity (number 1137491) 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.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Statement of Principal Accounting Policies

Pension costs

The College participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The 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 profit and loss account 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.

The College also participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme, the assets of which are held in a separate, trustee-administered fund. Pension costs are assessed on the latest actuarial valuation of the scheme. The contribution rates current as at 30 June 2020 were 23.26% employer and 8% employee. CCFPS closed to new members from 1 April 2017.

A new defined contribution scheme (from Aviva) is now offered to staff not eligible for USS, with a minimum of 3% employee contributions, matched by two to one employer contributions, up to a maximum of 10% from the employer.

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 material unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

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 latter are recognised when at the probate stage.

Clare Hall, Cambridge
Annual Report and Financial Statements for the year ending 30 June 2020

Statement of Principal Accounting Policies

Critical Accounting Estimates and Judgements (continued)

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

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

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 20.

Management are satisfied that the 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. 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 20.

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.

STATEMENT OF COMPREHENSIVE INCOME & EXPENDITURE
YEAR ENDED 30 JUNE 2020

		Unrestricted	Restricted	Endowment	2020 £ <u>Total</u>	Unrestricted	Restricted	Endowment	2019 £ <u>Total</u>
INCOME	Note								
Academic fees and charges	1	712,497	-	-	712,497	706,094	-	-	706,094
Accommodation, catering and conferences	2	1,716,767	-	-	1,716,767	1,892,421	-	-	1,892,421
Investment Income	3	-	-	1,076,659	1,076,659	-	-	1,034,025	1,034,025
Endowment return transferred		610,250	466,409	(1,076,659)	-	584,326	449,699	(1,034,025)	-
Total income before donations and endowments		3,039,514	466,409	-	3,505,923	3,182,841	449,699	-	3,632,540
Donations		165,607	195,708	-	361,315	117,015	401,586	-	518,601
Capital grant from Colleges Fund		-	-	-	-	-	-	105,000	105,000
Total Income		3,205,121	662,117	-	3,867,238	3,299,856	851,285	105,000	4,256,141
EXPENDITURE									
Education	4	809,513	466,830	-	1,276,343	737,578	424,054	-	1,161,632
Accommodation, catering and conferences	5	2,741,725	-	-	2,741,725	2,424,659	-	-	2,424,659
Other expenditure	6	280,020	-	-	280,020	485,288	-	-	485,288
Total expenditure	7	3,831,258	466,830	-	4,298,088	3,647,525	424,054	-	4,071,579
(Deficit)/surplus before other gains and losses		(626,136)	195,286	-	(430,850)	(347,669)	427,231	105,000	184,562
(Loss)/Gain on investments	10	(28,525)	(16,294)	(77,720)	(122,539)	83,165	47,311	226,670	357,146
(Deficit)/surplus for the year		(654,661)	178,992	(77,720)	(553,389)	(264,504)	474,542	331,670	541,708
Other Comprehensive income									
Actuarial loss in respect of pension schemes	20	(137,677)	-	-	(137,677)	(101,432)	-	-	(101,432)
Total comprehensive income for the year		(792,338)	178,992	(77,720)	(691,066)	(365,936)	474,542	331,670	440,276

The notes on pages 27 to 38 form part of these accounts

Clare Hall
Statement of Changes in Reserves
Year ended 30 June 2020

Income and expenditure reserve

	Unrestricted £	Restricted £	Endowment £	Total £
Balance at 1 July 2019	11,441,272	4,978,447	18,512,099	34,931,818
(Deficit)/Surplus from Income and expenditure statement	(654,661)	178,992	(77,720)	(553,389)
Other Comprehensive income	(137,677)	-	-	(137,677)
Balance at 30 June 2020	<u>10,648,934</u>	<u>5,157,439</u>	<u>18,434,379</u>	<u>34,240,752</u>

Income and expenditure reserve

	Unrestricted £	Restricted £	Endowment £	Total £
Balance at 1 July 2018	11,807,208	4,503,905	18,180,429	34,491,542
(Deficit)/Surplus from Income and expenditure statement	(264,504)	474,542	331,670	541,708
Other Comprehensive income	(101,432)	-	-	(101,432)
Balance at 30 June 2019	<u>11,441,272</u>	<u>4,978,447</u>	<u>18,512,099</u>	<u>34,931,818</u>

The notes on pages 27 to 38 form part of these accounts

Clare Hall

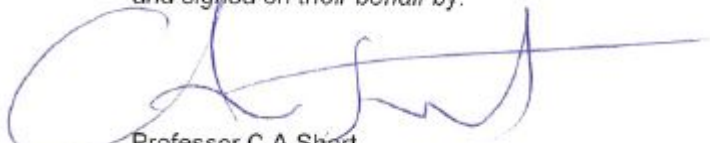
Balance Sheet as at 30 June 2020

Note

		2020 £	2019 £
NON-CURRENT ASSETS			
Fixed assets	8	9,231,310	9,318,720
Heritage assets	9	150,000	150,000
Investments	10	28,987,379	29,004,919
		<u>38,368,689</u>	<u>38,473,639</u>
CURRENT ASSETS			
Stocks		27,546	42,533
Trade and other receivables	11	217,459	293,030
Cash and cash equivalents	12	397,001	880,041
		<u>642,006</u>	<u>1,215,604</u>
Creditors: amounts falling due within one year	13	<u>(374,060)</u>	<u>(502,735)</u>
Net current assets		<u>267,946</u>	<u>712,869</u>
Total assets less current liabilities		38,636,635	39,186,508
Creditors: amounts falling due after more than one year	14	<u>(3,400,000)</u>	<u>(3,400,000)</u>
Net assets excluding pension deficits		35,236,635	35,786,508
Pension deficit (CCFPS)	15	(875,784)	(669,611)
Pension deficit (USS)	16	<u>(120,099)</u>	<u>(185,078)</u>
Net assets including pension deficits		<u>34,240,752</u>	<u>34,931,819</u>
CAPITAL AND RESERVES			
Restricted reserves			
Income and expenditure reserve – endowment	17	18,434,379	18,512,099
Income and expenditure reserve – restricted	18	5,157,439	4,978,448
		<u>23,591,818</u>	<u>23,490,547</u>
Unrestricted reserves			
Income and expenditure reserve – unrestricted		<u>10,648,934</u>	<u>11,441,272</u>
TOTAL		<u>34,240,752</u>	<u>34,931,819</u>

The notes on pages 27 to 38 form part of these accounts

Approved by the Governing Body on 25 November 2020
and signed on their behalf by:



Professor C A Short
President



I C Strachan
Bursar

Clare Hall

Cash Flow Statement

Year ended 30 June 2020

	2020	2019
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(553,389)	541,708
Adjustment for non-cash items		
Depreciation	376,077	375,628
Loss/(Gain) on investments	122,539	(357,146)
Decrease in stocks	14,987	21,818
Decrease/(Increase) in debtors	75,571	(69,224)
(Decrease)/Increase in creditors	(128,675)	64,109
CCFPS Pension costs less contributions payable	68,496	35,691
USS pension provision	(64,979)	104,653
Adjustment for investing or financing activities		
Investment income	(1,076,659)	(1,034,025)
Interest payable	104,144	81,015
Net cash outflow from operating activities	<u>(1,061,888)</u>	<u>(235,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,076,659	1,034,025
Endowment funds invested	(105,000)	(123,000)
Payments to acquire tangible fixed assets	(288,667)	(539,046)
Total cash flows from investing activities	<u>682,992</u>	<u>371,979</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(104,144)	(81,015)
Total cash flows financing activities	<u>(104,144)</u>	<u>(81,015)</u>
Increase/(Decrease) in cash and cash equivalents in the year	(483,040)	55,191
Cash and cash equivalents at the beginning of the year	<u>880,041</u>	<u>824,850</u>
Cash and cash equivalents at the end of the year	<u>397,001</u>	<u>880,041</u>

The notes on pages 27 to 38 form part of these accounts

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

1 ACADEMIC FEES AND CHARGES		2020	2019
COLLEGE FEES		£	£
Graduate fee income		712,497	706,094
Total		<u>712,497</u>	<u>706,094</u>
2 INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES		2020	2019
		£	£
Accommodation		1,406,328	1,526,681
Catering	College members	150,533	147,090
	Conferences	159,906	218,650
Total		<u>1,716,767</u>	<u>1,892,421</u>
3 INVESTMENT INCOME		2020	2019
Income from:			£
Cambridge University Endowment Fund		1,000,881	955,256
Charity Property Fund		75,778	78,769
Total		<u>1,076,659</u>	<u>1,034,025</u>
4 EDUCATION EXPENDITURE		2020	2019
		£	£
Teaching		48,698	44,926
Tutorial		221,238	195,820
Admissions		72,320	67,944
Research		437,436	406,347
Scholarships and awards		199,074	175,602
Other educational facilities		297,577	270,993
Total		<u>1,276,343</u>	<u>1,161,632</u>
5 ACCOMMODATION , CATERING AND CONFERENCES EXPENDITURE		2020	2019
		£	£
Accommodation	College members	2,000,105	1,821,494
	Conferences	-	-
Catering	College members	653,467	565,815
	Conferences	88,153	37,350
Total		<u>2,741,725</u>	<u>2,424,659</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

6 OTHER EXPENDITURE	2020	2019
	£	£
Fellows Commons	31,066	45,696
Student Meals Subsidy	46,527	48,824
Development Office Salaries	147,247	148,590
Development Account	96,896	106,751
Art Committee	3,511	5,793
Music	4,670	11,694
CCFPS - Net Finance cost (note 20)	15,314	14,734
USS – Pension provision (note 16)	(64,979)	104,653
Miscellaneous expenses (net)	<u>(232)</u>	<u>(1,447)</u>
Total	<u>280,020</u>	<u>485,288</u>

7a ANALYSIS OF 2019/20 EXPENDITURE BY ACTIVITY	Staff costs (note 19)	Other operating expenses	Depreciation	Interest	Total
	£	£	£	£	£
Education (note 4)	430,814	804,311	41,218	-	1,276,343
Accommodation, catering and conferences (note 5)	824,268	1,478,454	334,859	104,144	2,741,725
Other (note 6)	<u>147,247</u>	<u>132,773</u>	<u>-</u>	<u>-</u>	<u>280,020</u>
	<u>1,402,329</u>	<u>2,415,538</u>	<u>376,077</u>	<u>104,144</u>	<u>4,298,088</u>

7b ANALYSIS OF 2018/19 EXPENDITURE BY ACTIVITY	Staff costs (note 19)	Other operating expenses	Depreciation	Interest	Total
	£	£	£	£	£
Education (note 4)	396,740	723,723	41,169	-	1,161,632
Accommodation, catering and conferences (note 5)	778,943	1,230,241	334,460	81,015	2,424,659
Other (note 6)	<u>148,590</u>	<u>336,698</u>	<u>-</u>	<u>-</u>	<u>485,288</u>
	<u>1,324,273</u>	<u>2,290,662</u>	<u>375,629</u>	<u>81,015</u>	<u>4,071,579</u>

Expenditure includes £244,143 as the costs of fund raising (2019: £255,341). This expenditure includes the costs of alumni relations.

7c AUDITORS' REMUNERATION	2020	2019
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	11,000	10,855
Other fees payable to the College's external auditors	<u>4,348</u>	<u>2,617</u>
	<u>15,348</u>	<u>13,472</u>

The amounts above are stated inclusive of VAT.

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

8 TANGIBLE FIXED ASSETS	Freehold land and buildings	Infrastructure and equipment	2020
	£	£	£
COST			
As at 1 July 2019	12,465,492	2,361,154	14,826,646
Additions at cost	<u>198,994</u>	<u>89,673</u>	<u>288,667</u>
As at 30 June 2020	<u>12,664,486</u>	<u>2,450,827</u>	<u>15,115,313</u>
DEPRECIATION			
As at 1 July 2019	4,431,365	1,076,561	5,507,926
Charge for the year	<u>195,291</u>	<u>180,786</u>	<u>376,077</u>
Provision for depreciation as at 30 June 2020	<u>4,626,656</u>	<u>1,257,347</u>	<u>5,884,003</u>
Net book value as at 30 June 2020	<u>8,037,830</u>	<u>1,193,480</u>	<u>9,231,310</u>
Net book value as at 30 June 2019	<u>8,034,127</u>	<u>1,284,593</u>	<u>9,318,720</u>

The College's operational buildings are insured for a rebuilding cost of £30,382,000 (2019: £26,700,000).

9 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 1999 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 and the £150,000 relates to assets acquired in 2007.

There have been no additions to heritage assets during the last five years.

10 INVESTMENT ASSETS	2020	2019
	£	£
Balance at 1 July 2019	29,004,919	28,524,773
Additions	105,000	123,000
(Depreciation)/Appreciation on revaluation	<u>(122,540)</u>	<u>357,146</u>
Balance at 30 June 2020	<u>28,987,379</u>	<u>29,004,919</u>
Represented by:		
Charities Property Fund	1,897,464	1,892,282
Cambridge University Endowment Fund	<u>27,089,915</u>	<u>27,112,637</u>
Total	<u>28,987,379</u>	<u>29,004,919</u>

11 TRADE AND OTHER RECEIVABLES	2020	2019
	£	£
Members of College	52,735	118,551
Sundry debtors	<u>164,724</u>	<u>174,479</u>
	<u>217,459</u>	<u>293,030</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

12 CASH	2020	2019
	£	£
Bank current accounts	389,435	874,119
Cash in hand	7,566	5,922
	<u>397,001</u>	<u>880,041</u>
13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Members of College	159,712	138,525
Trade creditors	157,014	153,018
Tax and pension funds	40,729	58,708
University composition fees	16,605	152,484
	<u>374,060</u>	<u>502,735</u>
14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020	2019
	£	£
Bank loans	3,400,000	3,400,000
	<u>3,400,000</u>	<u>3,400,000</u>
Of the long term bank loans, £1,900,000, which was borrowed during 2017-18, is repayable in January 2023, with interest chargeable at a floating rate of 1.10% over the Bank of England Base Rate, and £1,500,000 is repayable in June 2048, with interest chargeable at a fixed rate of 4.58%. Both loans are unsecured, and the College has no other borrowings.		
15 PENSION DEFICIT (CCFPS)	2020	2019
	Total	Total
	£	£
Balance at beginning of year	669,611	532,488
Movement in year:		
Current service cost including life assurance	187,226	135,558
Contributions	(134,044)	(114,601)
Other finance cost	15,314	14,734
Actuarial Loss recognised in Statement of Comprehensive Income and Expenditure	137,677	101,432
	<u>875,784</u>	<u>669,611</u>
16 PENSION DEFICIT (USS)	2020	2019
	£	£
Balance at beginning of year	185,078	80,425
(Credit)/Charge to comprehensive income	(64,979)	104,653
	<u>120,099</u>	<u>185,078</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

17 ENDOWMENT FUNDS

	Restricted Permanent	Unrestricted Permanent	Total 2020	Total 2019
	£	£	£	£
Balance at beginning of year:				
Capital	8,719,342	9,792,757	18,512,099	18,180,429
Capital Grant from Colleges Fund (Decrease)/increase in market value of investments	- (36,818)	- (40,902)	- (77,720)	105,000 226,670
Balance at end of year	8,682,524	9,751,855	18,434,379	18,512,099

Analysis by type of purpose:

Fellowship Funds	6,405,877	-	6,405,877	6,433,041
Scholarship Funds	2,080,842	-	2,080,842	2,089,665
Bursary Funds	44,714	369,615	414,329	416,086
Other Funds	151,091	-	151,091	151,732
General Endowments	-	9,382,240	9,382,240	9,421,575
Total	8,682,524	9,751,855	18,434,379	18,512,099

Analysis by asset:

Investments	8,682,524	9,646,868	18,329,392	18,407,112
Cash	-	104,987	104,987	104,987
Total	8,682,524	9,751,855	18,434,379	18,512,099

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

18 RESTRICTED RESERVES

	Permanent unspent and other restricted income £	Restricted expendable endowment	2020 Total £	2019 Total £
Balance at beginning of year				
Capital	137,135	3,705,681	3,842,816	3,795,505
Accumulated Income	478,084	657,547	1,135,631	708,401
	<u>615,219</u>	<u>4,363,228</u>	<u>4,978,447</u>	<u>4,503,906</u>
New Donations	3,769	191,939	195,708	401,586
Investment Income	328,703	137,706	466,409	449,699
Expenditure	(193,647)	(273,183)	(466,830)	(424,054)
(Decrease)/Increase in market value of investments	(648)	(15,647)	(16,295)	47,310
	<u>753,396</u>	<u>4,404,043</u>	<u>5,157,439</u>	<u>4,978,447</u>
Balance at end of year				
Capital	136,487	3,690,034	3,826,521	3,842,816
Accumulated Income	616,909	714,009	1,330,918	1,135,633
	<u>753,396</u>	<u>4,404,043</u>	<u>5,157,439</u>	<u>4,978,447</u>
Analysis of other restricted funds/donations				
By type of purpose:				
Fellowship Funds	504,515	2,062,067	2,566,582	2,361,445
Scholarship Funds	208,468	2,209,081	2,417,549	2,444,201
Bursary Funds	26,253	18,339	44,592	31,837
Other Funds	14,160	114,556	128,716	140,964
	<u>753,396</u>	<u>4,404,043</u>	<u>5,157,439</u>	<u>4,978,447</u>

Notes to the Accounts for the year ended 30 June 2020:

19 STAFF

	College Fellows	Other academic	Non-academic	Total 2020	Total 2019
	£	£	£	£	£
Staff costs:					
Emoluments	156,867	-	996,272	1,153,139	1,077,402
Social security costs	12,481	-	82,226	94,707	97,504
USS pension costs	22,833	-	29,243	52,076	47,118
CCFPS pension costs	-	-	72,351	72,351	88,433
AVIVA Pension Costs	-	-	30,056	30,056	13,816
	<u>192,181</u>	<u>-</u>	<u>1,210,148</u>	<u>1,402,329</u>	<u>1,324,273</u>
Average staff numbers:					
Academic	48	-	-	48	50
Non-academic (full-time equiv.)	<u>2</u>	<u>-</u>	<u>34</u>	<u>36</u>	<u>34</u>
	<u>50</u>	<u>-</u>	<u>34</u>	<u>84</u>	<u>84</u>

Of the 50 fellows declared above 10 are stipendiary.

No officer or employee of the College, including the Head of House, received emoluments of over £100,000.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated emoluments paid to key management personnel.

	2020	2019
	£	£
Key management personnel	<u>215,596</u>	<u>201,973</u>

The trustees receive no remuneration in their role as trustees of the charity.

20 PENSION SCHEMES

The College's employees belong to three principal pension schemes, the Universities Superannuation Scheme (USS), the Cambridge Colleges Federated Pension Scheme (CCFPS) and the Aviva Cambridge Colleges GPP. The total pension cost for the period was £153,483 (2019: £149,367).

Universities Superannuation Scheme

The total cost charged to the profit and loss account is £52,076 (2019: £47,118) as shown in note 19. 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) which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete. Since the College cannot identify its share of the Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those assets and liabilities as a whole.

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

Notes to the Accounts for the year ended 30 June 2020:

20 PENSION SCHEMES continued

Universities Superannuation Scheme cont'd

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

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

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

Mortality base table	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% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2020	2019
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	0.73%	2.44%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.11%

Notes to the Accounts for the year ended 30 June 2020:

20 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges Federated Pension Scheme, in the United Kingdom. The Scheme is a defined benefit final salary pension scheme that was originally set up, under an interim Trust Deed, on 19 July 1977 as a defined benefit scheme.

The contribution made by the College, including PHI, in respect of the year ended 30 June 2020 was £72,351 (2019: £88,433). The contribution rate payable by the College was 23.26% of pensionable salaries.

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 were as follows:

	30-Jun-20	30-Jun-18
Discount rate	1.45%	2.25%
Increase in salaries	2.70%	2.90%
RPI assumption	3.10%	3.40%
CPI assumption	2.20%	2.40%
Pension increases in payment (RPI Max 5% p.a.)	3.00%	3.30%
Pension increases in payment (RPI Max 2.5% p.a.)	1.80%	1.90%

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: S2PA 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
Active Members – Option 1 Benefits	65	63
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.

Employee Benefit Obligations

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

	30-Jun-20	30-Jun-19
	£	£
Present value of plan liabilities	(3,202,906)	(2,798,459)
Market value of assets	<u>2,327,122</u>	<u>2,128,848</u>
Net defined benefit liability	<u>(875,784)</u>	<u>(669,611)</u>

Notes to the Accounts for the year ended 30 June 2020:

20 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme cont'd

The amounts recognised in the profit and loss for the year ending 30 June 2020 (with comparative figures for year ending 30 June 2019) are as follows:

	30-Jun-20	30-Jun-19
	£	£
Current service cost	177,202	125,534
Administrative expenses	10,024	10,024
Interest on net defined benefit liability	<u>15,314</u>	<u>14,734</u>
Total	<u>202,540</u>	<u>150,292</u>

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:

	30-Jun-20	30-Jun-19
	£	£
Present value of plan liabilities at beginning of period	2,798,459	2,491,992
Current Service cost	177,202	125,534
Employee contributions*	2,445	34,313
Benefits paid	(98,002)	(157,037)
Interest on plan liabilities	63,787	67,140
Actuarial losses	<u>259,015</u>	<u>236,517</u>
Present value of Scheme liabilities at end of period	<u>3,202,906</u>	<u>2,798,459</u>

* Note that the College introduced a salary sacrifice arrangement at the beginning of this year.

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:

	30-Jun-20	30-Jun-19
	£	£
Market value of plan assets at beginning of period	2,128,848	1,959,504
Contributions paid by College	134,044	114,601
Employee contributions	2,445	34,313
Benefits paid	(98,002)	(157,037)
Administrative expenses	(12,115)	(11,616)
Interest on plan assets	48,473	52,406
Return on assets, less interest included in Profit & Loss	<u>123,429</u>	<u>136,677</u>
Market value of plan assets at end of period	<u>2,327,122</u>	<u>2,128,848</u>

Actuarial return on plan assets	<u>171,902</u>	<u>189,083</u>
---------------------------------	----------------	----------------

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

	30-Jun-20	30-Jun-19
Equities and Hedge Funds	49%	57%
Bonds & Cash	41%	34%
Property	<u>10%</u>	<u>9%</u>
Total	<u>100%</u>	<u>100%</u>

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

Notes to the Accounts for the year ended 30 June 2020:

20 PENSION SCHEMES continued
Cambridge Colleges Federated Pension Scheme cont'd

Analysis of the re-measurement 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:

	30-Jun-20	30-Jun-19
	£	£
Return on assets, less interest included in Profit & Loss	123,429	136,677
Expected less actual plan expenses	(2,091)	(1,592)
Experience gains and losses arising on plan liabilities	25,871	35,929
Changes in assumptions underlying the present value of plan liabilities	<u>(284,886)</u>	<u>(272,446)</u>
Actuarial loss recognised in OCI	<u>(137,677)</u>	<u>(101,432)</u>

Movement in net defined benefit liability during the year ending 30 June 2020 (with comparative figures for the year ending 30 June 2019) are as follows:

	30-Jun-20	30-Jun-19
	£	£
Net defined benefit liability at beginning of year	(669,611)	(532,488)
Recognised in Profit and Loss	(202,540)	(150,292)
Contributions paid by the College	134,044	114,601
Re-measurement of net defined benefit liability recognised in OCI	<u>(137,677)</u>	<u>(101,432)</u>
Deficit in Scheme at the end of the year	<u>(875,784)</u>	<u>669,611)</u>

Funding Policy

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

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 £10,411 p.a. payable for the period 1 July 2018 to 31 March 2034.

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

Aviva Cambridge Colleges GPP

The College operates a defined contribution pension scheme, mainly for permanent contracted non-academic employees which complies with the requirements of the Pensions Act 2006 and Auto Enrolment. This scheme is provided by Aviva and has been in operation since July 2017 and replaces the CCFPS scheme which is now closed to new members.

21 RELATED PARTY TRANSACTIONS

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

Notes to the Accounts for the year ended 30 June 2020:

22 CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT

	At 1 July 2019 £000	Cash Flows	At 30 June 2020 £000
Cash and cash equivalents	880	(483)	397
Borrowings:			
Amounts falling due after more than one year			
Unsecured loans	3,400	-	3,400
	<u>(2,520)</u>	<u>(483)</u>	<u>(3,003)</u>

23 FINANCIAL INSTRUMENTS

	2020 £000	2019 £000
Financial assets		
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments	28,987	29,005
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	397	880
Other debtors	217	293
	<u>29,601</u>	<u>30,178</u>
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	3,400	3,400
Trade creditors	157	153
Other creditors	217	349
	<u>3,774</u>	<u>3,902</u>

24 Lease Obligations

At 30 June 2020 the College had commitments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Land and buildings:		
Expiring between one and five years	174	-

Clare Hall
Statement of Changes in Reserves
Year ended 30 June 2020

Income and expenditure reserve

	Unrestricted £	Restricted £	Endowment £	Total £
Balance at 1 July 2019	11,441,272	4,978,447	18,512,099	34,931,818
(Deficit)/Surplus from Income and expenditure statement	(654,661)	178,992	(77,720)	(553,389)
Other Comprehensive income	(137,677)	-	-	(137,677)
Balance at 30 June 2020	<u>10,648,934</u>	<u>5,157,439</u>	<u>18,434,379</u>	<u>34,240,752</u>

Income and expenditure reserve

	Unrestricted £	Restricted £	Endowment £	Total £
Balance at 1 July 2018	11,807,208	4,503,905	18,180,429	34,491,542
(Deficit)/Surplus from Income and expenditure statement	(264,504)	474,542	331,670	541,708
Other Comprehensive income	(101,432)	-	-	(101,432)
Balance at 30 June 2019	<u>11,441,272</u>	<u>4,978,447</u>	<u>18,512,099</u>	<u>34,931,818</u>

The notes on pages 27 to 38 form part of these accounts

Clare Hall

Balance Sheet as at 30 June 2020

Note

		2020 £	2019 £
NON-CURRENT ASSETS			
Fixed assets	8	9,231,310	9,318,720
Heritage assets	9	150,000	150,000
Investments	10	28,987,379	29,004,919
		<u>38,368,689</u>	<u>38,473,639</u>
CURRENT ASSETS			
Stocks		27,546	42,533
Trade and other receivables	11	217,459	293,030
Cash and cash equivalents	12	397,001	880,041
		<u>642,006</u>	<u>1,215,604</u>
Creditors: amounts falling due within one year	13	<u>(374,060)</u>	<u>(502,735)</u>
Net current assets		<u>267,946</u>	<u>712,869</u>
Total assets less current liabilities		38,636,635	39,186,508
Creditors: amounts falling due after more than one year	14	<u>(3,400,000)</u>	<u>(3,400,000)</u>
Net assets excluding pension deficits		35,236,635	35,786,508
Pension deficit (CCFPS)	15	(875,784)	(669,611)
Pension deficit (USS)	16	<u>(120,099)</u>	<u>(185,078)</u>
Net assets including pension deficits		<u>34,240,752</u>	<u>34,931,819</u>
CAPITAL AND RESERVES			
		2020 £	2019 £
Restricted reserves			
Income and expenditure reserve – endowment	17	18,434,379	18,512,099
Income and expenditure reserve – restricted	18	5,157,439	4,978,448
		<u>23,591,818</u>	<u>23,490,547</u>
Unrestricted reserves			
Income and expenditure reserve – unrestricted		<u>10,648,934</u>	<u>11,441,272</u>
TOTAL		<u>34,240,752</u>	<u>34,931,819</u>

The notes on pages 27 to 38 form part of these accounts

*Approved by the Governing Body on 25 November 2020
and signed on their behalf by:*

Professor C A Short
President

I C Strachan
Bursar

Clare Hall

Cash Flow Statement

Year ended 30 June 2020

	2020	2019
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/Surplus for the year	(553,389)	541,708
Adjustment for non-cash items		
Depreciation	376,077	375,628
Loss/(Gain) on investments	122,539	(357,146)
Decrease in stocks	14,987	21,818
Decrease/(Increase) in debtors	75,571	(69,224)
(Decrease)/Increase in creditors	(128,675)	64,109
CCFPS Pension costs less contributions payable	68,496	35,691
USS pension provision	(64,979)	104,653
Adjustment for investing or financing activities		
Investment income	(1,076,659)	(1,034,025)
Interest payable	104,144	81,015
Net cash outflow from operating activities	<u>(1,061,888)</u>	<u>(235,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	1,076,659	1,034,025
Endowment funds invested	(105,000)	(123,000)
Payments to acquire tangible fixed assets	(288,667)	(539,046)
Total cash flows from investing activities	<u>682,992</u>	<u>371,979</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(104,144)	(81,015)
Total cash flows financing activities	<u>(104,144)</u>	<u>(81,015)</u>
Increase/(Decrease) in cash and cash equivalents in the year	(483,040)	55,191
Cash and cash equivalents at the beginning of the year	<u>880,041</u>	<u>824,850</u>
Cash and cash equivalents at the end of the year	<u>397,001</u>	<u>880,041</u>

The notes on pages 27 to 38 form part of these accounts

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

1 ACADEMIC FEES AND CHARGES		2020	2019
COLLEGE FEES		£	£
Graduate fee income		<u>712,497</u>	<u>706,094</u>
Total		<u><u>712,497</u></u>	<u><u>706,094</u></u>
2 INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES		2020	2019
		£	£
Accommodation		1,406,328	1,526,681
Catering	College members	150,533	147,090
	Conferences	<u>159,906</u>	<u>218,650</u>
Total		<u><u>1,716,767</u></u>	<u><u>1,892,421</u></u>
3 INVESTMENT INCOME		2020	2019
Income from:			£
Cambridge University Endowment Fund		1,000,881	955,256
Charity Property Fund		<u>75,778</u>	<u>78,769</u>
Total		<u><u>1,076,659</u></u>	<u><u>1,034,025</u></u>
4 EDUCATION EXPENDITURE		2020	2019
		£	£
Teaching		48,698	44,926
Tutorial		221,238	195,820
Admissions		72,320	67,944
Research		437,436	406,347
Scholarships and awards		199,074	175,602
Other educational facilities		<u>297,577</u>	<u>270,993</u>
Total		<u><u>1,276,343</u></u>	<u><u>1,161,632</u></u>
5 ACCOMMODATION , CATERING AND CONFERENCES EXPENDITURE		2020	2019
		£	£
Accommodation	College members	2,000,105	1,821,494
	Conferences	-	-
Catering	College members	653,467	565,815
	Conferences	<u>88,153</u>	<u>37,350</u>
Total		<u><u>2,741,725</u></u>	<u><u>2,424,659</u></u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

6 OTHER EXPENDITURE	2020	2019
	£	£
Fellows Commons	31,066	45,696
Student Meals Subsidy	46,527	48,824
Development Office Salaries	147,247	148,590
Development Account	96,896	106,751
Art Committee	3,511	5,793
Music	4,670	11,694
CCFPS - Net Finance cost (note 20)	15,314	14,734
USS – Pension provision (note 16)	(64,979)	104,653
Miscellaneous expenses (net)	<u>(232)</u>	<u>(1,447)</u>
Total	<u>280,020</u>	<u>485,288</u>

7a ANALYSIS OF 2019/20 EXPENDITURE BY ACTIVITY	Staff costs (note 19)	Other operating expenses	Depreciation	Interest	Total
	£	£	£	£	£
Education (note 4)	430,814	804,311	41,218	-	1,276,343
Accommodation, catering and conferences (note 5)	824,268	1,478,454	334,859	104,144	2,741,725
Other (note 6)	<u>147,247</u>	<u>132,773</u>	<u>-</u>	<u>-</u>	<u>280,020</u>
	<u>1,402,329</u>	<u>2,415,538</u>	<u>376,077</u>	<u>104,144</u>	<u>4,298,088</u>

7b ANALYSIS OF 2018/19 EXPENDITURE BY ACTIVITY	Staff costs (note 19)	Other operating expenses	Depreciation	Interest	Total
	£	£	£	£	£
Education (note 4)	396,740	723,723	41,169	-	1,161,632
Accommodation, catering and conferences (note 5)	778,943	1,230,241	334,460	81,015	2,424,659
Other (note 6)	<u>148,590</u>	<u>336,698</u>	<u>-</u>	<u>-</u>	<u>485,288</u>
	<u>1,324,273</u>	<u>2,290,662</u>	<u>375,629</u>	<u>81,015</u>	<u>4,071,579</u>

Expenditure includes £244,143 as the costs of fund raising (2019: £255,341). This expenditure includes the costs of alumni relations.

7c AUDITORS' REMUNERATION	2020	2019
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	11,000	10,855
Other fees payable to the College's external auditors	<u>4,348</u>	<u>2,617</u>
	<u>15,348</u>	<u>13,472</u>

The amounts above are stated inclusive of VAT.

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

8 TANGIBLE FIXED ASSETS	Freehold land and buildings	Infrastructure and equipment	2020
	£	£	£
COST			
As at 1 July 2019	12,465,492	2,361,154	14,826,646
Additions at cost	<u>198,994</u>	<u>89,673</u>	<u>288,667</u>
As at 30 June 2020	<u>12,664,486</u>	<u>2,450,827</u>	<u>15,115,313</u>
DEPRECIATION			
As at 1 July 2019	4,431,365	1,076,561	5,507,926
Charge for the year	<u>195,291</u>	<u>180,786</u>	<u>376,077</u>
Provision for depreciation as at 30 June 2020	<u>4,626,656</u>	<u>1,257,347</u>	<u>5,884,003</u>
Net book value as at 30 June 2020	<u>8,037,830</u>	<u>1,193,480</u>	<u>9,231,310</u>
Net book value as at 30 June 2019	<u>8,034,127</u>	<u>1,284,593</u>	<u>9,318,720</u>

The College's operational buildings are insured for a rebuilding cost of £30,382,000 (2019: £26,700,000).

9 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 1999 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 and the £150,000 relates to assets acquired in 2007.

There have been no additions to heritage assets during the last five years.

10 INVESTMENT ASSETS	2020	2019
	£	£
Balance at 1 July 2019	29,004,919	28,524,773
Additions	105,000	123,000
(Depreciation)/Appreciation on revaluation	<u>(122,540)</u>	<u>357,146</u>
Balance at 30 June 2020	<u>28,987,379</u>	<u>29,004,919</u>
Represented by:		
Charities Property Fund	1,897,464	1,892,282
Cambridge University Endowment Fund	<u>27,089,915</u>	<u>27,112,637</u>
Total	<u>28,987,379</u>	<u>29,004,919</u>

11 TRADE AND OTHER RECEIVABLES	2020	2019
	£	£
Members of College	52,735	118,551
Sundry debtors	<u>164,724</u>	<u>174,479</u>
	<u>217,459</u>	<u>293,030</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

12 CASH	2020	2019
	£	£
Bank current accounts	389,435	874,119
Cash in hand	7,566	5,922
	<u>397,001</u>	<u>880,041</u>
13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020	2019
	£	£
Members of College	159,712	138,525
Trade creditors	157,014	153,018
Tax and pension funds	40,729	58,708
University composition fees	16,605	152,484
	<u>374,060</u>	<u>502,735</u>
14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020	2019
	£	£
Bank loans	3,400,000	3,400,000
	<u>3,400,000</u>	<u>3,400,000</u>
Of the long term bank loans, £1,900,000, which was borrowed during 2017-18, is repayable in January 2023, with interest chargeable at a floating rate of 1.10% over the Bank of England Base Rate, and £1,500,000 is repayable in June 2048, with interest chargeable at a fixed rate of 4.58%. Both loans are unsecured, and the College has no other borrowings.		
15 PENSION DEFICIT (CCFPS)	2020	2019
	Total	Total
	£	£
Balance at beginning of year	669,611	532,488
Movement in year:		
Current service cost including life assurance	187,226	135,558
Contributions	(134,044)	(114,601)
Other finance cost	15,314	14,734
Actuarial Loss recognised in Statement of Comprehensive Income and Expenditure	137,677	101,432
	<u>875,784</u>	<u>669,611</u>
16 PENSION DEFICIT (USS)	2020	2019
	£	£
Balance at beginning of year	185,078	80,425
(Credit)/Charge to comprehensive income	(64,979)	104,653
	<u>120,099</u>	<u>185,078</u>

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

17 ENDOWMENT FUNDS

	Restricted Permanent	Unrestricted Permanent	Total 2020	Total 2019
	£	£	£	£
Balance at beginning of year:				
Capital	8,719,342	9,792,757	18,512,099	18,180,429
Capital Grant from Colleges Fund (Decrease)/increase in market value of investments	- (36,818)	- (40,902)	- (77,720)	105,000 226,670
Balance at end of year	8,682,524	9,751,855	18,434,379	18,512,099

Analysis by type of purpose:

Fellowship Funds	6,405,877	-	6,405,877	6,433,041
Scholarship Funds	2,080,842	-	2,080,842	2,089,665
Bursary Funds	44,714	369,615	414,329	416,086
Other Funds	151,091	-	151,091	151,732
General Endowments	-	9,382,240	9,382,240	9,421,575
Total	8,682,524	9,751,855	18,434,379	18,512,099

Analysis by asset:

Investments	8,682,524	9,646,868	18,329,392	18,407,112
Cash	-	104,987	104,987	104,987
Total	8,682,524	9,751,855	18,434,379	18,512,099

Clare Hall

Notes to the Accounts for the year ended 30 June 2020:

18 RESTRICTED RESERVES

	Permanent unspent and other restricted income £	Restricted expendable endowment	2020 Total £	2019 Total £
Balance at beginning of year				
Capital	137,135	3,705,681	3,842,816	3,795,505
Accumulated Income	478,084	657,547	1,135,631	708,401
	<u>615,219</u>	<u>4,363,228</u>	<u>4,978,447</u>	<u>4,503,906</u>
New Donations	3,769	191,939	195,708	401,586
Investment Income	328,703	137,706	466,409	449,699
Expenditure	(193,647)	(273,183)	(466,830)	(424,054)
(Decrease)/Increase in market value of investments	(648)	(15,647)	(16,295)	47,310
	<u>753,396</u>	<u>4,404,043</u>	<u>5,157,439</u>	<u>4,978,447</u>
Balance at end of year				
Capital	136,487	3,690,034	3,826,521	3,842,816
Accumulated Income	616,909	714,009	1,330,918	1,135,633
	<u>753,396</u>	<u>4,404,043</u>	<u>5,157,439</u>	<u>4,978,447</u>
Analysis of other restricted funds/donations				
By type of purpose:				
Fellowship Funds	504,515	2,062,067	2,566,582	2,361,445
Scholarship Funds	208,468	2,209,081	2,417,549	2,444,201
Bursary Funds	26,253	18,339	44,592	31,837
Other Funds	14,160	114,556	128,716	140,964
	<u>753,396</u>	<u>4,404,043</u>	<u>5,157,439</u>	<u>4,978,447</u>

Notes to the Accounts for the year ended 30 June 2020:

19 STAFF

	College Fellows	Other academic	Non-academic	Total 2020	Total 2019
	£	£	£	£	£
Staff costs:					
Emoluments	156,867	-	996,272	1,153,139	1,077,402
Social security costs	12,481	-	82,226	94,707	97,504
USS pension costs	22,833	-	29,243	52,076	47,118
CCFPS pension costs	-	-	72,351	72,351	88,433
AVIVA Pension Costs	-	-	30,056	30,056	13,816
	<u>192,181</u>	<u>-</u>	<u>1,210,148</u>	<u>1,402,329</u>	<u>1,324,273</u>
Average staff numbers:					
Academic	48	-	-	48	50
Non-academic (full-time equiv.)	<u>2</u>	<u>-</u>	<u>34</u>	<u>36</u>	<u>34</u>
	<u>50</u>	<u>-</u>	<u>34</u>	<u>84</u>	<u>84</u>

Of the 50 fellows declared above 10 are stipendiary.

No officer or employee of the College, including the Head of House, received emoluments of over £100,000.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated emoluments paid to key management personnel.

	2020	2019
	£	£
Key management personnel	<u>215,596</u>	<u>201,973</u>

The trustees receive no remuneration in their role as trustees of the charity.

20 PENSION SCHEMES

The College's employees belong to three principal pension schemes, the Universities Superannuation Scheme (USS), the Cambridge Colleges Federated Pension Scheme (CCFPS) and the Aviva Cambridge Colleges GPP. The total pension cost for the period was £153,483 (2019: £149,367).

Universities Superannuation Scheme

The total cost charged to the profit and loss account is £52,076 (2019: £47,118) as shown in note 19. 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) which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete. Since the College cannot identify its share of the Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those assets and liabilities as a whole.

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

Notes to the Accounts for the year ended 30 June 2020:

20 PENSION SCHEMES continued

Universities Superannuation Scheme cont'd

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

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

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

Mortality base table	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% p.a. for males and 1.6% p.a. for females

The current life expectancies on retirement at age 65 are:

	2020	2019
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	0.73%	2.44%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.11%

Notes to the Accounts for the year ended 30 June 2020:

20 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme

The College is a member of a multi-employer defined benefit scheme, the Cambridge Colleges Federated Pension Scheme, in the United Kingdom. The Scheme is a defined benefit final salary pension scheme that was originally set up, under an interim Trust Deed, on 19 July 1977 as a defined benefit scheme.

The contribution made by the College, including PHI, in respect of the year ended 30 June 2020 was £72,351 (2019: £88,433). The contribution rate payable by the College was 23.26% of pensionable salaries.

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 were as follows:

	30-Jun-20	30-Jun-18
Discount rate	1.45%	2.25%
Increase in salaries	2.70%	2.90%
RPI assumption	3.10%	3.40%
CPI assumption	2.20%	2.40%
Pension increases in payment (RPI Max 5% p.a.)	3.00%	3.30%
Pension increases in payment (RPI Max 2.5% p.a.)	1.80%	1.90%

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: S2PA 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
Active Members – Option 1 Benefits	65	63
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.

Employee Benefit Obligations

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

	30-Jun-20	30-Jun-19
	£	£
Present value of plan liabilities	(3,202,906)	(2,798,459)
Market value of assets	<u>2,327,122</u>	<u>2,128,848</u>
Net defined benefit liability	<u>(875,784)</u>	<u>(669,611)</u>

Notes to the Accounts for the year ended 30 June 2020:

20 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme cont'd

The amounts recognised in the profit and loss for the year ending 30 June 2020 (with comparative figures for year ending 30 June 2019) are as follows:

	30-Jun-20	30-Jun-19
	£	£
Current service cost	177,202	125,534
Administrative expenses	10,024	10,024
Interest on net defined benefit liability	<u>15,314</u>	<u>14,734</u>
Total	<u>202,540</u>	<u>150,292</u>

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:

	30-Jun-20	30-Jun-19
	£	£
Present value of plan liabilities at beginning of period	2,798,459	2,491,992
Current Service cost	177,202	125,534
Employee contributions*	2,445	34,313
Benefits paid	(98,002)	(157,037)
Interest on plan liabilities	63,787	67,140
Actuarial losses	<u>259,015</u>	<u>236,517</u>
Present value of Scheme liabilities at end of period	<u>3,202,906</u>	<u>2,798,459</u>

* Note that the College introduced a salary sacrifice arrangement at the beginning of this year.

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:

	30-Jun-20	30-Jun-19
	£	£
Market value of plan assets at beginning of period	2,128,848	1,959,504
Contributions paid by College	134,044	114,601
Employee contributions	2,445	34,313
Benefits paid	(98,002)	(157,037)
Administrative expenses	(12,115)	(11,616)
Interest on plan assets	48,473	52,406
Return on assets, less interest included in Profit & Loss	<u>123,429</u>	<u>136,677</u>
Market value of plan assets at end of period	<u>2,327,122</u>	<u>2,128,848</u>

Actuarial return on plan assets	<u>171,902</u>	<u>189,083</u>
---------------------------------	----------------	----------------

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

	30-Jun-20	30-Jun-19
Equities and Hedge Funds	49%	57%
Bonds & Cash	41%	34%
Property	<u>10%</u>	<u>9%</u>
Total	<u>100%</u>	<u>100%</u>

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

Notes to the Accounts for the year ended 30 June 2020:

20 PENSION SCHEMES continued

Cambridge Colleges Federated Pension Scheme cont'd

Analysis of the re-measurement 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:

	30-Jun-20	30-Jun-19
	£	£
Return on assets, less interest included in Profit & Loss	123,429	136,677
Expected less actual plan expenses	(2,091)	(1,592)
Experience gains and losses arising on plan liabilities	25,871	35,929
Changes in assumptions underlying the present value of plan liabilities	<u>(284,886)</u>	<u>(272,446)</u>
Actuarial loss recognised in OCI	<u>(137,677)</u>	<u>(101,432)</u>

Movement in net defined benefit liability during the year ending 30 June 2020 (with comparative figures for the year ending 30 June 2019) are as follows:

	30-Jun-20	30-Jun-19
	£	£
Net defined benefit liability at beginning of year	(669,611)	(532,488)
Recognised in Profit and Loss	(202,540)	(150,292)
Contributions paid by the College	134,044	114,601
Re-measurement of net defined benefit liability recognised in OCI	<u>(137,677)</u>	<u>(101,432)</u>
Deficit in Scheme at the end of the year	<u>(875,784)</u>	<u>669,611)</u>

Funding Policy

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

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 £10,411 p.a. payable for the period 1 July 2018 to 31 March 2034.

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

Aviva Cambridge Colleges GPP

The College operates a defined contribution pension scheme, mainly for permanent contracted non-academic employees which complies with the requirements of the Pensions Act 2006 and Auto Enrolment. This scheme is provided by Aviva and has been in operation since July 2017 and replaces the CCFPS scheme which is now closed to new members.

21 RELATED PARTY TRANSACTIONS

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

Notes to the Accounts for the year ended 30 June 2020:

22 CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT

	At 1 July 2019 £000	Cash Flows	At 30 June 2020 £000
Cash and cash equivalents	880	(483)	397
Borrowings:			
Amounts falling due after more than one year			
Unsecured loans	3,400	-	3,400
	<u>(2,520)</u>	<u>(483)</u>	<u>(3,003)</u>

23 FINANCIAL INSTRUMENTS

	2020 £000	2019 £000
Financial assets		
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments	28,987	29,005
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	397	880
Other debtors	217	293
	<u>29,601</u>	<u>30,178</u>
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	3,400	3,400
Trade creditors	157	153
Other creditors	217	349
	<u>3,774</u>	<u>3,902</u>

24 Lease Obligations

At 30 June 2020 the College had commitments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Land and buildings:		
Expiring between one and five years	174	-