



Lucy Cavendish College
University of Cambridge

Annual Report and Accounts

For the Financial Year Ending
30th June 2020

Description	Pages
Members of the Governing Body.....	2
Principal Advisers.....	4
Report of the Governing Body.....	5
Corporate Governance and Trustees' Responsibility.....	21
Report of the Auditors.....	24
Statement of Principal Accounting Policies.....	26
Consolidated Statement of Comprehensive Income and Expenditure.....	34
Consolidated Statement of Changes in Reserves.....	35
Consolidated and College Balance sheet.....	36
Consolidated Cashflow Statement.....	37
Notes to the Accounts.....	38

President	Madeleine Atkins PhD DBE CBE FaSS
Alireza	Patricia, PhD, Senior Scientist, Cavendish Laboratory, from 22 April 2020
Bahn	Professor Sabine MD PhD MRCPsych, Professor, Bahn Laboratory, University of Cambridge
Becque	Jurgen, PhD, University Lecturer in Structural Mechanics in Engineering from 1 June 2020
Blakesley	Jennifer, Director, Careers Service, University of Cambridge, from 9 October 2019
Brearley	Jacqueline Chryscillian MA Vet MB PhD DVA Dip ECVAA MRCA MRCVS, Academic Lead in the Pauline Brown Clinical Skills Centre, Department of Veterinary Medicine, University of Cambridge
Bullmore	Professor Ed, Professor of Psychiatry, University of Cambridge, from 4 December 2019
Cameron	Professor Ruth MA PhD MInstP CPhyS, Professor, Materials Science and Metallurgy, University of Cambridge; Research Mentor in the Sciences, Lucy Cavendish College
Clare	Isabel Clare Huntingdon BSc MPhil MPhil PhD, Consultant Clinical & Forensic Psychologist, NIHR CLAHRC East of England; and Cambridge Intellectual & Developmental Disabilities Research Group, Department of Psychiatry, University of Cambridge
Cordonier-Segger	Professor Marie Claire, PhD, Affiliated Fellow of the Centre, and Leverhulme Trust Visiting Professor with the Bennett Institute for Public Policy, the Centre for Environment, Energy and Natural Resources Governance (C-EENRG) and other partners, from 1 October 2019
Cotta	Bruno, Executive Director of the Entrepreneurship Centre, JBS, from 4 December 2019
Daffern	The Rev'd Canon Adrian, Vicar of the University Church of St Mary the Great, from 4 December 2019
Daniels	Kate BA MA PhD, Senior Teaching Officer, ADTIS, University of Cambridge
Fistein	Dr Elizabeth, Medical Member of the First Tier Tribunal (Mental Health); the School of Clinical Medicine Ethics and Law Lead for the courses in Clinical Medicine, from 11 March 2020
Fowell	Mr Christopher, Consultant, Oral and Maxillofacial Surgery, Cambridge University Hospitals NHS Foundation Trust., from 4 December 2019
Gall	Astrid, PhD, Ensembl outreach officer, Molecular Biology Laboratory, European Bioinformatics Institute
Git	Anna MSc PhD, Independent Senior Research Associate, Department of Biochemistry, University of Cambridge
Goodall	Jane, PhD, University Lectureship in Cardiovascular Medicine in the School of Clinical Medicine, University of Cambridge and Tutor, Lucy Cavendish College
Gordon	Emily, PhD, College Teaching Officer in Law, Lucy Cavendish College, from 1 October 2019
Greatorex	Jane Suzette BTec FMLS PhD, Honorary Research Scientist, Public Health England; Senior Tutor, Lucy Cavendish College
Gull	Sarah Elizabeth MBBS FRCS(ED) FRCOG, Curator, Lucy Cavendish College to 30 September 2019
Harvey	Victoria PhD, Admissions Director Lucy Cavendish College to 29 February 2020
Hendriks	Henriette PhD, Reader in Language Acquisition and Cognition, Faculty of MML, Theoretical and Applied Linguistics, Lucy Cavendish College; Vice-President and Research Mentor in the Arts
Houghton	Margaret Christine BA MA, Domestic Bursar and Wine Steward, Lucy Cavendish College
Howarth	Emma, Senior Research Associate, NIHR CLARHC to 30 November 2019
Jones	Derek, Chief Executive, Babraham Bioscience Technologies, from 4 December 2019
Keller	Dr Katie, CGCM course tutor appointed by the Clinical Schools, from 22 January 2020
King	Mark PhD, Admissions Director, from 11 March 2020
Liu	Emma PhD, Post-doc research Fellow, Earth Sciences, to 30 September 2019
Maddison	Isobel Judith BA MA PhD, College Lecturer in English, Lucy Cavendish College
McCormack	Dr Deidre, GPEG (GP Education Group), the Clinical School, Addenbrooke's Hospital Facilitator/ Educator and Tutor, Lucy Cavendish College
Mahon	Annette BSc PhD, Assistant Senior Tutor (Graduates), Lucy Cavendish College,
Nelson	Howard, PhD, Lecturer in Conservation Leadership, Fauna & Flora International, from 4 December 2019
Nugent	Eileen Mary BSc MPhil DPhil, Early Career Lecturer, Biological and Soft Systems, Cavendish Laboratory, University of Cambridge, Tutor, Lucy Cavendish College
Ottewell	Karen PhD, Director of Academic Development & Training for International Students, Language Centre, University of Cambridge; Tutor, Lucy Cavendish College
Popa	Bogdan PhD, Lecturer in Gender Studies, University of Cambridge; Senior Associate, Lucy Cavendish College to 30 September 2019
Quie	Marissa, PhD, Research Associate, Department of Sociology, University of Cambridge
Rath Spivack	Orsola MA PhD, Senior Research Associate, DAMTP, University of Cambridge

Ruigrok	Amber PhD, Binks Autism Neuroscience Research Fellow, University of Cambridge; tutor Lucy Cavendish College
Ryan	Joanna BSc, Development Director, Lucy Cavendish College
Sparkes	Dr Matthew, Teaching Associate, Department of Sociology and Social Sciences Research Methods Centre, University of Cambridge, from 4 December 2019
Sriprakash	Arathi MA PhD, University Reader in Sociology of Education, from 1 January 2019
Stott	Dr Neil, Co-Director of the Cambridge Centre for Social Innovation; Director of the Master of Studies in Social Innovation Programme, JBS, from 4 December 2019
Talmi	Deborah, University Lecturer in Psychology, University of Cambridge, from 1 October 2019
Thompson	Lesley Margaret MA MA FCA, Bursar, Lucy Cavendish College
Tonkin	Suzanne, Librarian, Lucy Cavendish College
Van Harmelen	Anne-Laura, PhD, Senior Research Associate, Department of Psychiatry, University of Cambridge
Vinnicombe	Alison Annette BA MA Dip RSA, Finance Tutor and Dean, Steward, Registrar, Secretary to Council and Secretary to Governing Body, Praelector, Lucy Cavendish College
Wain	Helen BEng, Head of Group Procurement, University of Cambridge
Wilson	Dr Shona BSc PhD, University Lecturer, Department of Pathology, University of Cambridge
Yiu	Vivian Wei Man MaA MB BChir MRCP, Joint Course Director CGCM,

Lucy Cavendish College

Lady Margaret Road
Cambridge
CB3 0BU

Charity Registration Number: 1137875

Charity Trustees – see list on previous page

Senior Officers:

President	Professor Dame Madeleine Atkins PhD DBE CBE FaSS
Vice-President	Dr Henriette Hendriks PhD
Senior Tutor	Dr Jane Greatorex BTec FMLS PhD
Bursar	Mrs Lesley Thompson MA FCA

Principal Advisers:

Actuaries:

Cartwright Group
Mill Pool House
Mill Lane, Godalming
Surrey
GU7 1EY

Auditors:

Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers:

Barclays Bank
9-11 St Andrews Street
Cambridge
CB2 3AA

Property Valuers & Consultants:

Bidwells
Stonecross
Trumpington High Street
Cambridge
CB22 9SU

Securities Managers:

UBS Wealth Management (UK) Ltd
1 Curzon Street
London
W1J 5UB

Smith & Williamson
25 Moorgate
London
EC2R 6AY

Solicitors:

Taylor Vinters
Merlin Place, Milton Road
Cambridge
CB4 0DP

Introduction

Lucy Cavendish College was founded in 1965 as a Collegiate Society. Initially a graduate Foundation, it admitted its first undergraduates in 1972. It became an Approved Foundation of the University of Cambridge in 1984 and then in 1997 it was incorporated by Royal Charter and achieved full college status as a College for women over the age of 21 who were matriculated into the University as full-time undergraduates or as part-time or full-time postgraduates. The College is an autonomous, self-governing community of scholars and one of the 31 colleges within the University of Cambridge. The College is a registered charity (number 1137875) regulated by the Charity Commission and its registered office is Lucy Cavendish College, Lady Margaret Road, Cambridge CB3 0BU. The College in conjunction with the University provides an education of the highest quality through small group teaching, academic supervision, library, computing and cultural facilities, meals and living accommodation, with some support for students in personal or financial need.

In March 2019 the Governing Body took three important decisions: that the College should grow substantially from c.400 students to c.900 students maintaining a majority of postgraduate students; that the admissions policy should be changed so that from October 2021 the College would admit standard-age (generally 18+) students of any gender; and that the historical DNA and mission of the College – to open the Cambridge door to talented and exceptional students from under-represented and non-traditional backgrounds - should remain a fundamental aspect of its future such that Lucy Cavendish would, uniquely in Cambridge, become broadly representative in its UK student body of our national society. At postgraduate level, the focus was to become the ‘go-to’ college for students pursuing interdisciplinary advanced learning or research, focused on 21st Century global problems or the complex issues facing humankind.

However, following the late changes in the way A Level results were calculated in summer 2020, the Trustees agreed to advance acceptance of 18 years + women and admit them in October 2020 in order to enable the University of Cambridge to meet the increased number of undergraduate offer -holders who had now met their Cambridge offer. A cohort of 30, standard-age, women undergraduates was accordingly admitted to the College in October 2020 comprising just under half of the new intake.

Meanwhile, as a first step to becoming a mixed gender college, the governing Body admitted the first eleven men to Fellowship positions during the year and opened all postdoctoral and junior research competitions to applicants regardless of their gender.

The College is primarily situated on a site just north-west of central Cambridge bounded by Madingley Road and Lady Margaret Road. It is currently based around three converted 19th century villas together with newer purpose-built facilities including student accommodation, porters’ lodge, library, teaching rooms, dining hall, gym and other common spaces. There is onsite accommodation for 91 students with a further 98 rooms (including 10 flats) owned by the College near its main site, primarily at its new student centre at 100 Histon Road which was opened in 2014. In order to provide more accommodation, the College also rents neighbouring properties from St John’s College and at Mount Pleasant Halls, which together provide a further 114 rooms and flats.

Aims and Objectives of the College

The principal **objects** of the College, as set out in its Charter, are:

- to advance education, religion, learning and research in the University;
- to provide for persons who shall be members of the University a College wherein they may work for Degrees of the University or may carry out postgraduate or other special studies at Cambridge provided that no member of the College or any candidate for membership thereof shall be subject to any test of a religious, racial, political or social character.

The College delivers these objectives by provision of the following:

- *Teaching* facilities and individual or small-group teaching (supervisions), as well as pastoral, administrative and academic support through its tutorial (pastoral) and graduate mentoring systems;
- *Bridging Programmes* for new students both at undergraduate and postgraduate level to ensure that they start their course and time at Cambridge as well prepared as possible academically and personally;
- *Co-curricular programmes* available to all students throughout their course in well-being, academic skills development, careers and enterprise;
- *Social, cultural*, musical, meditational, recreational and sporting facilities and programmes;
- *A community* in which students from a wide diversity of backgrounds can feel genuinely included and valued, while being supported to achieve their educational, career and personal development ambitions.

The College advances *research* through:

- Providing Research Fellowships to outstanding academics at 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 research, teaching and administrative duties of an academic post;
- Supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing stipends or grants
- Offering College membership to c.40 postdoctoral associates each year and supporting them to design a programme of seminars, talks, mentoring and networking events
- Encouraging visits from outstanding academics from abroad; and
- Encouraging the dissemination of research undertaken by members of the College through the publication of books and papers in academic journals or other suitable means.

Public benefit

The Trustees of the College have considered the Charity Commission's guidance on the operation of public benefit under the Charities Act 2011 and consider that the requirements have been met under the Charity's objects and activities. A full statement of the public benefit provided by the College has been lodged with the Charity Commission.

In summary, the College provides, in conjunction with the University of Cambridge, an education which is recognised internationally as being of the highest standard for some 400 students. This education develops students academically, supports their career ambitions, and promotes their community and interpersonal skills. On graduation from the College they are enabled to play enhanced and effective roles for the benefit of society around the world. This world-class education is provided to students who have the highest academic potential whatever their financial means or religious, racial, political or social background.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research. The President and Fellows of the College receive a number of benefits as beneficiaries comprising small research, book or travel grants etc. In accordance with the terms of her contract, the President is currently required to live on the College site and is provided with accommodation in the President's Lodge for this purpose. Some meals are also provided to the President, Fellows and staff of the College up to a set allowance. These benefits are provided with the intention of furthering the College's aims, primarily that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to other beneficiaries of the College.

Beneficiaries also include students and academic staff from other Colleges in Cambridge and from Cambridge University more widely together with visiting academic staff and students from other higher education institutions.

In addition, the wider public has access to the College through several series of events, talks and seminars. Most prominent this year have been the 'Connections' events, starting with a whole day on: *Science, Poetry and the Brain*, kindly sponsored by AstraZeneca and involving pupils from local schools as well as practising poets and scientists.

The College participates from time to time in public schemes such as Open Cambridge and the National Open Gardens scheme.

During periods of Covid lock-down and travel restrictions in 2019-2020 the public seminar/event series was re-conceived and launched on-line as 'Lucy in Lockdown' and subsequently 'Live from Lucy'. This has proved beneficial in significantly extending the profile and 'reach' of these events, thereby enabling hundreds of members of the public, who would not otherwise have been able to travel to the College, to hear excellent speakers on a range of topics and to participate in discussion with them and with a diversity of participant views. The Covid pandemic has required the College to adapt and find new ways of engaging with public audiences and it is likely that these innovations will be retained.

The College has, for the last decade, hosted an increasingly important annual national prize for fiction, the Lucy Cavendish Fiction Prize, open to women novelists over the age of 21 years who have not yet been published. It is currently sponsored by the literary agency PFD. In this its 10th year it attracted over 400 entrants of high quality. The winner was Aoife Fitzpatrick with her novel: *An Arrangement in Grey and Black*. The Prize continues to be very successful in launching literary careers with a number of shortlisted writers seeing commercial success during the year. Alongside and to some extent supporting the Fiction Prize, the College has run over-subscribed creative writing short courses with subsidies for those from low-income backgrounds, and supported the establishment of the innovative virtual "Lucy Writers' Platform" the brainchild of one of our alumnae that provides opportunities for budding non-fiction writers, journalists, and others to build a profile and come to the attention of those who can take their careers forward.

Scope of the financial statements

The consolidated financial statements cover all the activities of Lucy Cavendish College and its subsidiary companies, Lucy Cavendish Trading Ltd and Lucy Cavendish Estates Development Ltd

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA) which complies with the 2019 Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education). This SORP reflected the changes to UK Generally Accepted Accounting Practice (GAAP) following the issue of the revised Financial Reporting Standard (FRS) 102 which came into effect for financial years beginning on or after 1 January 2019

The commentary that follows is intended to give the readers of the financial statements an overview of the finances and operations of the College.

Operational Context

Sars Covid-19 Virus: The Global Pandemic

The Covid-19 virus has had a profound impact on the University of Cambridge and its constituent colleges. In March 2020, in line with government guidance, all students were advised to leave Cambridge if possible. Teaching, welfare support and examinations were delivered online for the rest of the academic year. Central funds provided financial assistance to students experiencing hardship, for example because they had to buy tickets to travel home at short notice. Colleges also ensured that all students who needed to were able to stay in Cambridge in college accommodation and supported them accordingly.

The University has contributed to the national effort to overcome the challenges presented by the virus for example through its research efforts in vaccine development, statistical modelling, and by developing a nationally significant and unique symptomatic and asymptomatic testing regime in partnership with AstraZeneca. The clinical school and medical Fellows across the colleges were part of the clinical care effort during the first wave and the immediate months thereafter. Several members of University staff, including the Senior Tutor at Lucy Cavendish (who is a virologist and public health scientist), also collaborated closely with public health officials at City, Region and national levels to work on response measures to the pandemic and to advise on a 'nudge' behavioural campaign for students: "Stay Safe Cambridge Uni" which can be found at <https://www.cam.ac.uk/coronavirus/stay-safe-cambridge-uni>

Turning to Lucy Cavendish, the College maintained its essential front-line operational services such as catering, cleaning, portering, and delivery of learning resources both to remote students and to the more than 70 students who remained resident in College throughout the summer. The evaluation of the on-site student experience during this period was then used to plan for the return of full cohorts at the start of the Michaelmas Term including the effective development and implementation of quarantine and self-isolation systems. The design of Covid-secure communal spaces and office spaces was also improved. Other essential staff who could work from home did so. However, as the College was not able to run its normal full operations, particularly over the summer months, a number of staff were put on furlough leave under the Coronavirus Job Retention Scheme. As a prudent financial measure the College reined back expenditure on all non-essential items, negotiated a deferral of the first quarter rent payable to its landlords until September, and arranged an increase in its permitted overdraft should that be needed to support cash flow over July and August when all conferences had been cancelled resulting in a significant loss of income. These measures were effective. And it is a testament to the ingenuity, dedication and resilience of the College's operational management and staff that the College entered the new academic year remarkably well prepared and with good morale evident across its Departments.

In summary, following lockdown, and in a short space of time, the University and colleges undertook novel risk-assessment procedures, developed on-line teaching, assessment, and pastoral provision, designed protocols to guide day-to-day operations, shut down and re-opened numerous buildings, adopted scenario planning methodologies, reframed familiar problems and drove collective experimentation to find solutions. It has proved to be a period of significant innovation in spite of the undoubted stress and very high workload caused by continuing uncertainties, personal anxiety over potential transmission, and the frequent changes in Government rules and advice. The University and the colleges are now committed to evaluating and learning from these experiences to determine what changes should be kept, how future lockdowns can be handled more smoothly, and which emerging trends should be accepted and even accelerated, for example in the use of space and flexible working arrangements, or in alternative assessments to the traditional, unseen, three-hour, examination paper.

Planning for the College's expansion and development

Throughout this period, the College has continued to develop and implement its plans for the next five years when, following its decision to change its admissions policy to become a standard age, mixed college from October 2021, it aims to more than double the size of its student body in support of its mission to provide significantly more opportunities for talented students from groups who are traditionally under-represented at Cambridge and for those whose advanced learning and research address key 21st century problems. Lucy Cavendish is the only college currently at Cambridge prepared to grow at scale and pace and to align its own evolving mission with the University's priorities.

A new Director of Admissions took up position in March and recruitment plans for the 2021 intake were implemented first in person and then virtually. Once again, the virtual platforms demonstrated far greater reach than their analogue standard 'Open Days' held physically at Cambridge. More parents and teachers were also able to be engaged. The College collaborated with various third party charities which mentor and support promising younger pupils from under-represented groups, especially in BAME communities, and began to develop a partnership with the Princes Trust Institute for Education – although plans here had to be postponed as schools closed from March. The new website was launched in February and has exceeded its targets on every measure, including organic search. For example, in October 2020 there were 2,200 visitors to the website compared to 348 in October 2019. The website is particularly geared to recruitment of students - and potential donors. More than 200 visitors each month click through to the 'talking head' video profiles of our Directors of Studies and they are also popular on YouTube. To complement the content disseminated through social media channels, a more conventional media campaign was launched in the educational trade press in September to raise the College's profile and changed admissions policy with teachers.

As a consequence of the successful implementation of the new recruitment policy, the College received more than 400 direct and 'open' applications for entry in 2021 by the closing date this October 15th. The quality of applicants is pleasing and it is already clear that in several subjects the College will have no need to use the Winter Pool. Further it is clear that the College will be able to continue, confidently, on its journey to becoming broadly representative of UK society by 2025, building on the success of the 2020 intake in which 74% of new entrants came from under-represented groups as defined in the University's Access and Participation Plan (compared to an average across the University of 64%). Similarly, this October the College has recorded an intake of 78% of new UK students from state schools or FE colleges compared to the University average of 70%.

A considerable programme of estates development has been achieved in the last 16 months. The Phase One building at Lady Margaret Road was designed to RIBA Stage 3 in the summer and a planning application was submitted to the Planning Authority in late July. A decision is expected by the end of November. If approved, the building will provide 72 study bedrooms and a large new café/social space on the ground floor – which is definitely now needed. The building is designed to Passivhaus standards to reduce the College's carbon emissions into the future. Indeed, the new building should be 80% more energy efficient than the building it replaces as well as providing six times more study bedrooms. The University has agreed, in principle, to provide a loan to fund the construction of the building and we are waiting for final approval to be granted in December. The College has in parallel gone out to tender with a short list of three firms invited to submit their proposals by November 25th. A carefully orchestrated sequence of Governing Body and Finance & Investment Committee meetings has been put in place to arrive at a final decision in early January and, if favourable, then construction work would commence in mid-February 2021.

The intent behind our Estates Strategy is that the Lady Margaret Road site will predominantly cater for undergraduates given its outstanding central location. Our planned expansion of postgraduates is likely to be housed at Eddington in a purpose-built "Graduate Hub" which would be a 'daughter house' of the College offering an authentic 'Cambridge collegiate experience' rather than simply a student accommodation building. (The location is particularly good for postgraduates given the ambience of Eddington and its close proximity to the Cambridge West campus which increasingly houses the University's physical science facilities.) Here, the University would be the organisation constructing and owning the building: the College would be a long-term tenant. This development is not as far advanced as the Phase One building at Lady Margaret Road but has completed the RIBA Stage One sign off in August and is due to enter Stage Two imminently. The College is in detailed negotiation with the University over the proposed terms of the tenancy.

The planned growth in student numbers and the two major estates developments have necessitated the College spending a good deal of time over the last twelve months in developing and refining a financial model which can be used as a tool to assess the likely outcomes financially of different scenarios and sensitivities including a range of downside risks.

Summary Financial Results

The following section of this Report details the main features of the Financial Results. In company with other colleges and higher education providers, there is a sharp downturn in income caused by Covid. This is due to the drop in student rental income from March to June, the drop in value of the investment portfolio as stock markets retreated, and from the cancellation of conferences. The other main driver behind the figures has been the increased expenditure by the College this year on the companies who form the professional design team for the Phase One building and the Programme Managers for the whole Lady Margaret Road development programme. Nevertheless, the College succeeded in ending the year in June in a stronger financial position than had originally been predicted as the pandemic struck in March. The additional overdraft was not in the end needed to secure the essential cash flow through July and August. Among the positive drivers was the decision by the Colleges' Fund Committee that its grant to colleges including Lucy Cavendish could be used to defray operating expenditure in 2019-2020 and the planned sale of one of its properties (although in due course the proceeds must be re-invested in the Endowment). The Colleges' Fund has also now agreed that the grants for 2020-2021 and 2022-2023 can be used in whole or in part on operating costs – a decision that is particularly welcome for Lucy Cavendish.

The total deficit (decrease in consolidated net assets) of the College for the year was £681k (18/19: surplus of £1.1m), comprising an unrestricted surplus of £93k (18/19 deficit of £580k); a restricted surplus of £38k (18/19: surplus of £187k); and a deficit of endowment income of £812k (18/19: surplus £1.466m), primarily arising from loss on investments of £858k as a result of the Covid pandemic (18/19: gain of £554k). As explained above, the position on the unrestricted surplus was positively affected by the agreed use of the annual Colleges' Fund grant (£920k) for operational expenditure rather than its normal allocation to endowment.

Funding

Overall income before gains on investments and on pension schemes was £6.4m (18/19: £5.8m). The College's main sources of income are academic fees £1.9m (18/19: £1.5m), accommodation & catering £2.4m (18/19: £2.4m) and donations & endowments of £1.56m (18/19: £1.37m).

Income	2019/20		2018/19	
	£000		£000	
Students: college fees	1,694	26%	1,353	24%
Cambridge Bursaries	202	3%	187	3%
accommodation & catering	1,735	27%	1,633	28%
Conference accommodation & catering	650	10%	726	13%
Investment income	362	6%	440	7%
Donations and endowments	1,556	24%	1,373	24%
Other income	234	4%	52	1%
Total	6,433	100%	5,764	100%

Expenditure

Total expenditure was £6.2m (18/19: £5.2m), comprising staff costs £2.56m (18/19: £2.19m), other operating expenditure £2.8m (18/19: £2.3m) and the balance being depreciation of £838k (18/19: £820k). This expenditure is primarily allocated to Education £2.6m (18/19: £2.2m), and Residences, catering and conferences £3.3m (18/19: £2.8m).

At 30 June 2020 the value of the endowment was £12.9m (18/19: £13.8m), while the College's overall investments totalled £14.3m (18/19: £15.5m), mainly invested in the College's amalgamated investment portfolio. Here again the negative influence of the pandemic is in evidence. Overall consolidated net assets were £44m (18/19: £45m).

As the full costs of education are not met by Academic Fees and Charges, donations and return on endowment are critical elements to bridge this gap in all Cambridge colleges. However, colleges differ enormously in the size of their endowment and hence the return available from it. An arrangement exists for the better-endowed colleges to support those colleges with smaller endowments through the Colleges' Fund. As a college with one of the smallest endowments by a long way, Lucy Cavendish College is regularly a beneficiary of this scheme and in this year received £920k by way of a grant and this is included in donations and endowment income above (£876k in 2018/19).

Achievements and performance

Academic and College Community

The College currently has approximately 436 fee paying (total 471 including 'exempt') students from all walks of life and from all over the world.

The percentage of undergraduate/postgraduate students achieving 2.1 or 1st class honours degrees this year was 97% of all students eligible. This was very pleasing and considerably higher than the previous year when 81% of students achieved 2.1 or 1st class honours degrees. However it is important to note that due to changes in assessment processes because of COVID-19, not all students were classed (1st and 2nd year Tripos students were Allowed to Progress). Students achieving 1st class degrees included ten Tripos students and six non-Tripos students. There were a further three distinctions for the students on the Graduate Medicine Course. Lastly, amongst student prizes at the end of year were one Full Blue, two Honorary Full Blue and six Half Blue sporting awards.

Nationally and locally, students were recognized in a range of fields. Amongst many successful students were the following: **Karen Thomas** was awarded the prestigious Healthcare Leadership Academy (HLA) scholarship, **Nicola Filzmoser**, in partnership with Cornelius Palm, won the Cambridge University Entrepreneurs (CUE) 10k Challenge for 'Happyr Health' which aims to help children with migraines, **Imani Thompson** had two short stories selected to be published in the 28th edition of The Mays Anthology and **Rebecka Nordenlöw**, had a poem selected to be published in the 28th edition of The Mays Anthology.

The College is proud that the newest cohort of junior doctors joining the NHS and the frontline of the fight against coronavirus included eight of our successful medical graduates. In fact, it was not only the medics who stepped up. Taking advantage of extra time in their days due to closure of University buildings, the move to remote teaching and rescheduling of examinations, many students found additional ways to support their communities and vulnerable groups during this period. This community engagement continues: several medical students have commendably stepped into hands-on caring positions in nursing homes whilst others have taken on administrative and supportive roles in general practitioner surgeries and their dispensaries. Another body to benefit from our students' commitment was Cambridge Student Community Action. Specific involvement with their "Anxiety Slayers" project has been particularly well received - a project which involves interacting with vulnerable children during the pandemic.

Many of the College Fellows also achieved noteworthy success during the year with some brief edited highlights as follows:

- **Professor Marie-Claire Cordonier Segger** received the 2020 Weeramantry International Justice Award for her outstanding legal scholarship and teaching, and for her leadership of international foundations, councils and networks.
- **Dr Anne-Laura Van Harmelen** has been appointed Professor of Brain, Security and Resilience at the Institute of Education and Child Studies, Leiden University, Netherlands.
- **Dr Neil Stott** has been promoted at Cambridge Judge Business School to Faculty Professor level. Neil has also been appointed Adjunct Professor at the Faculty of Business Administration, Memorial University of Newfoundland.
- **Dr Henriette Hendriks** has been promoted to a Professorship in Language Acquisition and Cognition
- **Emeritus Fellow Professor Anna Sapir Abulafia** has been elected to a Fellowship of the British Academy
- **Fellow Commoner Lynne Berry** has been awarded the CBE for services to civil society and charity
- **Dr Arathi Sriprakash** has been appointed Professor of Education at Bristol University
- **Dr Deborah Talmi** won the British Psychological Society annual award in the Cognitive Section
- **Dr Sarah Morgan** became a Fellow of the Turing Institute for the period of her project on predicting outcomes for patients with early phase psychosis from speech data
- **The Reverend Canon Adrian Daffern** has been appointed Rural Dean for the clergy and parishes in the City of Cambridge

We congratulate all these Fellows and the many others who won competitive grants for their research, established research networks or international research projects, and who published in prestigious journals in the course of the year.

Diversity and widening access

Lucy Cavendish College is currently the only women's college in Europe for postgraduates and undergraduates aged twenty-one and over. Its intake is one of the most diverse in Cambridge: we currently have students from around seventy countries. Most of our first-time UK undergraduates have not taken a traditional route into university, many holding Access Diplomas or comparable qualifications, rather than A-levels; other undergraduates have historically come to Lucy Cavendish as career changers or affiliated students, subsequent to completion of a degree elsewhere; we also attract a diverse cohort of international students each year. We draw particularly high levels of applicants in English, Law and Medicine. The College has a reputation for friendliness, informality, and for the welfare and careers support it gives to its students. It is on this tradition of diversity and inclusion that the College intends to develop its future.

Student Support

In order to assist undergraduates entitled to student support, the College provides, through a scheme operated in common with the University and other Colleges, bursary support (the Cambridge Bursary) for those with limited financial means. Students over 25 at the start of their course are automatically considered for an enhanced award. In addition, the College actively gives other awards and bursaries to its undergraduate and graduate students comprising £223k in 2019/20, compared with £189k in 2018/19.

Fundraising activities

The College is registered with the Fundraising Regulator. The College does not use external professional fundraisers or commercial participators and carries out fundraising activities, primarily through its Development Office, in collaboration with the offices of Cambridge University Development and Alumni Relations and Cambridge in America as appropriate. In addition to seeking financial and other support for the College, the Development Office is also responsible for broader alumnae relations.

Fundraising activities undertaken are in support of the College's key priorities as set out by the Governing Body. Techniques used include face-to-face fundraising by private meeting (more recently via Zoom), the promotion of legacy giving, direct mailings, giving through social media in the form of 'Giving Days/Weeks' and opportunities for online giving via the website. The College also made use of challenge funding and match funding initiatives.

There is a clear statement on the College's website regarding use of data for alumnae and fundraising purposes. No one is solicited without prior notification and opportunities to opt out are highlighted in all forms of communication. Fundraising communications are segmented and sent at a maximum of four times a year.

There have been no formal complaints made about fundraising (18/19: none).

Financial Review

Income

Further detail regarding the different sources of income is given below:

Academic Fees and Charges - **£1.896m** (£1.54m) 23%

The College charges:

- fees at externally regulated rates to undergraduates entitled to student support with those undergraduate fees generally being paid by loan funding through arrangements approved by the Government
- fees determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to student support.

The College receives a proportion of the fees charged by the University to graduate students based on a full time equivalent per capita allocation.

Overall student numbers in College rose during the year and total fee income also rose, though the amount received also depends on the mix of students. In 2019/20, including visiting students, there were 139 (18/19: 114) undergraduates and 297 (18/19: 240) fee-paying postgraduates, of whom 54 (18/19: 45) were part time. A further 35 (18/19: 41) postgraduate students were exempt from paying fees.

Also included under this heading is income received relating to the Cambridge Bursary scheme. The amount received increased by 8% as it relates to the number of students in any year eligible to receive it. This income is offset by expenditure on the scheme which also increased.

Residences, catering and conference income - **£2.385m** (£2.359m) 1% increase

This heading covers both income received both from students and from conference guests. The amounts received reflect both volume and charges.

The College charges accommodation, meal and service charges at reasonable rates to its students. Income related to these areas increased by 6%. As the College had taken on additional accommodation (72 rooms) at Mount Pleasant Halls, the increase would have been higher were it not for the significant reduction in rent charged to students when many of them left the College as the pandemic first took hold in March 2020.

Generally, ongoing efficiencies and increased rent charges, progressively bringing these closer to actual costs, are a key part of seeking to ensure the College's financial sustainability in the medium term. Funds collected contribute to the economic cost of meals within College and support further investment in the college kitchens. The College seeks to balance the need to offer affordable rents and charges for students whilst at the same time ensuring that the College has the necessary funds to maintain its student accommodation and catering facilities, undertaking necessary refurbishment and maintenance. Details of expenditure on these areas is given later in this report.

The income derived from conferences is normally critical for the College's finances and significant efforts are made to fill rooms and provide a good service to guests so that the College's ongoing costs are covered, particularly during vacation periods. However, because of COVID-19, from March 2020 no conference activity has been possible. Total income received from conference accommodation and catering charges was down by 10% with income from conference accommodation down by 5% and income from conference catering down by 14%. Information on conference expenditure and contribution are detailed later in this report. As the main conference period is during the summer vacation, the major effects of the loss of this activity will be seen in the 2020/21 accounts.

Investment income - £362k (£440k) 18% decrease; and endowment return transferred £414k (£400k) 3.5% increase

Investment income represents dividend and interest receipts together with rental income relating to an investment property.

The Governing Body Fellows are the Trustees of the College, governed under the Trustee Act 2000. Their investment powers are defined in Statute 44 of the College's Statutes and they have overall responsibility over the College's investments. Governing Body has responsibility for approving investment objectives, agreeing risk and return targets, performance benchmarks and the investment manager structure. The Governing Body delegates the detailed aspects of the oversight of the investment arrangements to the Finance & Investment Committee who in turn appoint investment managers to be responsible for day to day management of the investments in accordance with agreed guidelines. Overall, the financial objective of the Fund is to maintain at least the real value of the assets whilst generating a stable and sustainable return to help fund the college's operations each year. To this end, a diversified portfolio with a strategic asset allocation including most or all of UK and Overseas Equities, Bonds, Cash, Alternative Investments and Commercial Property is maintained with due regard for socially responsible investments consistent with the College's charitable status and its ethos. In October 2020 the Governing Body voted unanimously to divest from direct holdings in fossil fuel companies, adding them to the existing list of prohibitions which includes armaments, tobacco, and tar sands.

The College has for some years adopted a Total Return approach which takes account of capital gains and losses on investment as well as income. The total return target for our investment managers is the Retail Price Index rate of inflation plus 3%. During the year to June 2020 RPI was 1.1% (3.11%). The total return on the investment portfolio for the year including additions was -2.5% (6.05%) so well below target overall this year due to the impact of Covid-19 on national and global stock markets. On a five year annualised basis the total return has been 5.9% against a target of 5.5% (RPI +3%) Within the College's Total Return Spending Rule the aim is to derive a sufficient and regular return substantially to offset the shortfall in funding for the College's core educational activities; over recent years the Governing Body has approved a transfer of 3% to bring the College more in line with current views on an appropriate 'spending rate' to preserve capital in the endowment. This year £414k was transferred, representing 3% (compared with transfers of 3% in 18/19, 3.69% in 17/18, 4% in 16/17 and 5% in 15/16).

Donations and new endowments - £1.556m (£1.373m) 13% increase

Excluding the Colleges' Fund grant and release of income from earlier capital grants (deferred capital), donations and new endowments increased by 28%. This area of income is volatile as all sums whether 'capital' or revenue are included in the Statement of Comprehensive Income and Expenditure, leading to an uneven pattern of income received - and hence large swings in percentage increases or decreases year on year.

We are deeply grateful to all our donors for their incredible generosity. During the year 183 members of the wide College Community and 97 non-alumnae donors generously made a gift. We are extremely grateful to all our benefactors, including those who prefer to give anonymously, for their commitment to Lucy Cavendish.

Benefactions to support student bursaries, scholarships and prizes included £250k from the Ernest Hecht Foundation to establish two studentships: *the Ernest Hecht Science Studentship* and *the Ernest Hecht Studentship for Mature Women*. Sir Mark and Lady Moody-Stuart made an additional contribution of £88k to the *Judy Moody-Stuart Scholarship* which is specifically for students from the Asian University for Women undertaking a Master's; we are delighted that the first recipient of the Studentship joins us for the 2020-21 academic year. Fellow-Commoner, Dr Lorna Williamson OBE whose gift of £31.25k will support two first year medics and the College's first ever summer school (for 24 young people). This has been rescheduled to summer 2021 because of the pandemic.

Dr Isabel Clare (£18.75k) and President, Professor Dame Madeleine Atkins (£7k), in collaboration with the Cambridge Trust, contributed to the Rowan Williams Studentships for those who face severe barriers from coming to study at Cambridge. Thanks are also extended to Professors Margaret Grieco and Ravi Kanbur who generously donated an additional £15k to the Malati Kanbur Fund. Former Honorary Fellow Dr Anne Hartree kindly bequeathed the College £74.5k.

Other generous individuals who have enriched our students' lives include: Emeritus Fellow Dr Lindsey Traub (£21.25k), Mr Keith Maddocks (£12.5k); Honorary Fellow Dr Cyndi Glassman (£8k), Dr Patricia Alireza (£7.5k), Cate Muther, (£7.8k), the Thriplow Charitable Trust (£5k); Jill and Nick Battley (£4.375k) and the Lucy Cavendish Alumnae Association (£3k).

We continued to strengthen our relationships with corporate partners. AstraZeneca kindly supported the third annual speed-mentoring event and championed our inaugural Connections Event: *Science, Poetry and the Brain* (£20K). We received further endorsement from Santander Universities which enabled 25 of our most deserving students to each receive £1k. The Iqbal Bros. Foundation, the charitable arm of Seamark plc, continued supporting those students who experience financial hardship by their donation of £10k. Peters Fraser and Dunlop (PFD) again sponsored the successful Lucy Cavendish Fiction Prize (£10k).

Unrestricted gifts are particularly welcome and are allocated to areas of greatest need or to the endowment, the income from which supports all College activities. As ever the award from the Colleges' Fund, which this year was £920k (18/19: £876k), was very much appreciated, particularly given the loss of income because of COVID-19. As reported above, colleges were permitted to use the award to offset in-year operational expenditure rather than allocating it to the endowment as usual.

Other income - £234k (52k) 350% increase

This heading covers receipts from photocopying, merchandise and fees from Visiting Fellows. Exceptionally, it also includes amounts claimed under the Coronavirus Job Retention Scheme totalling £155k to support those staff who were placed on furlough during the year as a result of the reduction in the College's operations due to COVID-19.

Expenditure

Expenditure has increased by 19% overall (18/19 5% increase).

Education expenditure - £2.561m (£2.178m) 18% increase

There has been an overall increase in education costs with greater expenditure particularly in the areas of teaching, tutorial, admissions, scholarships and awards and other educational facilities.

In common with all Cambridge colleges there is a shortfall on the core education accounts (fee income set against educational expenditure) of £665k compared with £638k in 2018/19

Residences, catering & conference costs - £3.348m (£2.803m) 19% increase

The main increases have occurred in the cost of accommodation for college members (28%) as the College rented an additional 72 rooms for students at Mount Pleasant Halls.

The College's combined 'Residences, Catering and Conferences' income has increased by 1% overall (£2.385m compared with £2.359m in 2018/19) whilst expenditure has increased by 19% overall (£3.348m compared with £2.803m). These expenditure figures represent a full cost allocation including all overheads. The income in this area has been particularly affected by COVID-19 with significant loss of student rental and conference income following lockdown in March 2020, totalling approximately £404k and net loss £480k respectively. Even were we to have had this income, there is still some way to go before the College is fully able to recover all costs in these areas. Under normal circumstances, the contribution of the conference trade is important to closing the gap.

Balance Sheet

The Balance Sheet shows a Net Current Asset position at the year-end of £237k (18/19 £75k).

Non-current assets

Non-current assets total £50.678m (18/19 £51.364m). These include Tangible Assets of £36.410m (18/19 £35.877m) including properties, furnishings, I.T. and other equipment Investments of £14.2687m (18/19 £15.487m) make up the balance of the non-current assets. This year the total capital investment in new Tangible Assets was £1.35m (18/19 £412k) whilst after disposals and depreciation there was an overall increase of £511k (18/19 decrease of £413k). The increase primarily relates to the consolidated cost of freehold buildings and assets in construction (£1.1m) associated with the College's expenditure to date, primarily professional fees, on its onsite development. Investment assets have decreased through net disposals and appreciation by £1.219m (18/19 increase of £1.137m). During the year, the College disposed of its investment property at 137 Chesterton Road.

Reserves

The consolidated reserves stand at £44.337m down £681k from £45.018m in the 2019 accounts.

All income and expenditure, however derived, goes through the Statement of Comprehensive Income and Expenditure so the total movement on reserves is equivalent to the comprehensive income (or expenditure) in the year. Thus the consolidated comprehensive expenditure of £681k (18/19 comprehensive income of £1.073m) is also the decrease/increase in consolidated net assets and in consolidated reserves.

Of the total reserves at 30 June 2020 68% is held in unrestricted funds, 3% in restricted (only to be used for specific purposes according to donors' wishes) and 29% in endowed funds (capital to be retained and income only to be spent). This compares with 66%, 3% and 31% in the comparative figures at 30 June 2019.

During 2019/20 consolidated unrestricted funds increased from £30.057m to £30.151m (College unrestricted funds increased from £30.057m to £30.173m) whilst total endowment funds fell from £13.754m to £12.941m. Restricted reserves increased from £1.207m to £1.245m.

Reserves policy

A high level of capital is required for the College to fulfil its role within the University and thrive over the long term. Capital is needed to build and replace operational buildings and to provide income to meet operational expenses, of which the largest single element is salaries for academic and non-academic staff. It is worth noting that the total value of Tangible Assets at £36.4m exceeds the value of the consolidated unrestricted funds at £30.151m so there are essentially no quickly available 'free' reserves. Lucy Cavendish College remains significantly under-capitalised as it strives to meet its running costs and to provide an appropriate environment and level of service to its students and Fellows. The Colleges' Fund currently uses a mathematical model to determine the capital needs of a college based on a range of variables and the fact that the College is one of the largest recipients indicates the extent of its need. All Cambridge Colleges take an intergenerational equity view of their reserves and Lucy Cavendish too seeks to maintain an equitable balance between the needs of its present members and those of future generations so must seek to maintain its endowment reserves over the longer term.

The College relies on the total return from its investments both to fund the difference between its annual expenditure and operating income and to maintain the real value of its assets and future income. The College seeks to maintain its reserves at a level that generates a total return sufficient to meet these objectives over the long term. The Reserves Policy does not preclude the Governing Body authorising a reduction in the reserves if it wishes to implement specific initiatives that are likely to accelerate the fulfilment of the College's strategic objectives.

In October, as a further prudent measure, the Governing Body approved an addition to the Reserves Policy to establish an equivalent of a 'designated reserve' designed to ensure that the Private Placement borrowings can, if the Trustees at the time consider it the right thing to do, be repaid in full when they fall due in 2043/44 and 2053/54. (Previously, the assumption had been that they would have to be re-financed.) Every five years a review is to be carried out of the monies put aside for investment in the designated reserve and the allocations increased for the next quinquennial period as needed and depending on the proximity of the repayment date.

Cashflow

Operating cash levels are generally held at low levels and historically cashflow has required very careful management. Cashflow has steadily improved over recent years with increased income and tighter credit control. In this year, net cashflow was supported by the operational use of the Colleges' Fund (£920k). Net cash inflow from operating activities in 2019/20 was positive at £1.443m (18/19 £1.479m). Cash totalling £1.207m (18/19 £1.174m) was also utilised in capital expenditure, purchase of investments and to pay interest on loans but the overall position was an inflow of £236k, (2018/19 £305k)

Staff costs and pensions

The College makes pension fund contributions on behalf of its employees to a defined benefit scheme, the Universities Superannuation Scheme (USS), and to a defined contribution scheme with NOW pensions. The College previously contributed to another defined benefit scheme, the Cambridge Colleges Federated Pension Scheme but it no longer has any active members in this scheme. However, the College continues to make payments to this scheme in order to contribute to the deficit which it has accrued. Total payroll costs increased by 17% (18/19: 9.5%) over the year as total average staff (academic and non-academic) numbers rose from 88 to 89 and there was a general pay increase of 2% (18/19: 2%) for each employee.

Employees

No trustees are paid for being a trustee but in order to fulfil its charitable purposes, the College employs some Fellows as College Lecturers, Supervisors, Directors of Studies, Tutors and senior Administrative Officers (all of whom, along with the President serve as charity trustees as members of the Governing Body). The employment of the President and Fellows is undertaken with the intention of furthering the College's objectives 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, and indeed is generally modest when compared with those of other colleges in Cambridge. Without the employment of Fellows, the College could not fulfil its charitable aims as a College within the University of Cambridge. The total number of Fellows in the year was 50 (18/19 36). The College also employs a further 67 (18/19 67) members of staff and engages other casual staff as necessary to provide the professional and service support necessary to run the College. Salaries and remuneration are reviewed annually by the Salaries & Remuneration Committee, the majority of whose members are Fellows in the College who do not receive a stipend together with external members who are completely independent of the College.

Maintenance of buildings and capital expenditure

Total capital expenditure during the year was £1.35m (18/19 £412k). £1.1m of this related to the consolidated cost of freehold buildings and assets in construction associated with the College's expenditure to date, primarily professional fees, on its onsite development. Other expenditure included replacement of the balconies on a number of buildings in College and the refurbishment of kitchens in our student accommodation in Oldham Hall. Other expenditure was on general refurbishment in accordance with a programme of planned maintenance, the purchase of Library books and planned upgrades for IT systems, equipment and infrastructure.

Risk management

The Governing Body is responsible for identifying and managing the major risks facing the College. Risk management is considered in every aspect of the College's work and the College recognizes that the effective management of risk while ensuring our organisational objectives are achieved is key. The College Council, Governing Body and Audit Committee consider the up-dated risk register regularly. Council reviews risk in its broadest sense and considers anything that might alter or undermine the capacity of the College to fulfil its objectives from both a strategic and operational perspective. Our wider assurance framework includes our policies and procedures for anti-corruption and bribery, health and safety and management of complaints and grievances. These ensure that, where incidents give rise to risks, these are identified, acted on swiftly and reported according to our regulatory responsibilities.

The key principles to support the delivery of our risk management approach are outlined below:

- It is the responsibility of all staff to ensure they understand and comply with policies and their risk management roles and responsibilities.
- Risk management awareness and training will be provided to all staff as appropriate to their roles and responsibilities.
- Risk management is not a stand-alone activity that is separate from the College's main activities, it is embedded in key processes and decision-making points (e.g. strategic and operational planning).
- The College has a register of strategic risks that describes and categorises risks according to their likelihood and impact.

The Audit Committee has delegated authority to act on behalf of the Governing Body in relation to the matters set out in its terms of reference, as well as providing advice, guidance and insight on issues within its scope. The Committee is chaired by a Fellow and has external members to provide relevant expertise. The Committee has a specific duty to keep under review the effectiveness of the College's risk management, control and governance arrangements.

Principal risks and uncertainties

The COVID-19 pandemic has clearly had an impact upon the College's operations and finances during the last year and the College was glad to be able to utilise the Government's Coronavirus Job Retention Scheme to maintain staff even whilst its normal operations were reduced. It is also extremely grateful for the support of collegiate Cambridge via the Colleges' Fund. The ability to use the grant to support operational costs has been critical to the financial outcome this year. During the last year, a recovery taskforce with representatives from the University and the colleges identified a range of scenarios for this year (2020/21) depending on whether the pandemic subsided, continued at the same intensity or returned in repeated waves. The implications of each scenario on the student experience, research, staff, buildings, digital infrastructure and finances were considered. Care was taken to capture both lessons learned from earlier in the year and opportunities for the future.

In practice, so far in 2020/21, apart from the loss of conference business, the position has been better than anticipated for the College due to an increase in student numbers resident in Cambridge. It is already clear that the financial impact of COVID-19 will continue to be felt in the year to 30 June 2021 exacerbated by the loss of income from the main conference period in July and August 2020. The situation remains uncertain, but the Government's current commitment to keeping universities open is welcome. It is also of great reassurance that the commitment has already been made by the Colleges' Fund Committee to allow grants to be used operationally for the next two financial years as this clearly offsets some of the ongoing risks of COVID-19 for the College. The collegiate University has also agreed a backstop loan support scheme for colleges should this be required. Therefore, although the College is currently budgeting for an overall deficit for 2020/21 as it begins its expansion and development work, this intercollegiate support enables the Trustees to confirm that the College is a going concern. Clear evidence of the long term financial sustainability of the College is also provided by the College's plans and financial modelling.

As before, the main overall risk remains the College's significant under-endowment. The return on endowment is critical to all Cambridge colleges in allowing them to bridge the gap between fee income received and the full costs of education. A larger endowment with greater return would also provide funds to undertake the necessary investment and development in infrastructure and service which all institutions must make to remain sustainable for the long term. Importantly, in the current political and economic circumstances, a larger endowment would also offer some protection against the impact of a variety of changes in an uncertain landscape.

Fundraising and donations therefore remain critical to allow the College to offer studentships, the co-curricular programmes and to continue to develop its infrastructure and support for students and researchers. While the substantial increase in donations and gifts this year described above is very welcome, it is clearly unlikely to be sufficient in itself to underpin the longer term plans of the College. For this reason the College initiated, during the year, a major fund-raising campaign under the advice and support of a small Foundation Board chaired by Mr Derek Laud. The Vice-Chancellor has personally been supportive of the fund-raising plans and the University's Director of Principal Gifts is a member of the Board. The Board is focusing on potential high net worth donors with the capacity to make substantial or transformational gifts to the College. Appropriate materials have been developed and a group of well-connected 'door openers' have volunteered their services. The Campaign is on track in its 'quiet phase'; but the more active period of relationship building with potential donors will inevitably be limited until travel and meeting restrictions due to Covid are lifted in this and other countries.

In parallel, the Development Office of the College has implemented an additional programme of fund-raising at lower values of gifts which are nevertheless very welcome. The Lucy Gives: Giving Week held in October raised more than £160k directly for the College and unlocked more than £50k into the Harding Intercollegiate Fund which will, from next year, support bursaries for students from low-income backgrounds including those at Lucy Cavendish College. The Development Office also succeeded in meeting its target of increasing the number of legators to over 100 and in locating and re-connecting with 'lost' decades of alumnae. The benefit of virtual platforms as a communication tool was again demonstrated in alumnae relations: Zoom updating and keeping-in-touch sessions with alumnae in every continent of the globe have been held, with numbers attending greatly exceeding those that could have been met face-to-face through conventional overseas trips.

An ongoing focus on cost control and a commitment to efficient management of resources and value for money remains important. However, these alone will not address the College's sustainability. In order to provide the appropriate support and facilities for our current students and to safeguard the College's future we must also continue to undertake planned growth and invest in capital, including new technologies to achieve better productivity. Income generation is as critical as cost control. Hence growth in student numbers, continuing to charge appropriate economic rates for accommodation and other services, rebuilding our conference and other income-generating activities as soon as possible, ambitious fundraising and sound investment management all have a crucial role to play in securing the College's future.

However, we have to recognise that though we may implement plans for growth, the College has limited control over some of the major factors that affect our operations. As well as its obvious effect upon the investment portfolio, the UK and global economic climate also has an impact upon other key areas such as student fees and numbers, conference income, and fundraising. Even before the emergence of COVID-19, this was a time of considerable political uncertainty globally and nationally, particularly given the end of the Brexit transition period with its many remaining uncertainties.

Any changes to the fees and funding regime in the UK and elsewhere also affect the numbers and types of students who come to Cambridge University and therefore to Lucy Cavendish College. In recent years, the balance of students in the College has shifted so that in June 2020 we had about 32% undergraduates and 68% postgraduates. Equally, the College now has a significant proportion of overseas (including EU students) students. UK immigration policy is critical to the recruitment of international students and, again, emerging UK policy is encouraging in its commitment to ensuring that international students can come to study in the UK and remain for several years post-study. Similarly, the significant upturn in 18-year-old UK students which gathers momentum from 2021 will mean that growth in UK undergraduate and postgraduate numbers will be considerably easier than in the last five years.

In terms of expenditure, there remains upward pressure as student expectations rise, requiring the College to deliver even more effectively in all areas: from teaching and pastoral support to accommodation, housekeeping, catering and IT provision. Legal and compliance issues increasingly require the College to devote more of its resources to ensuring that requirements are met. Equally, there is continuing pressure in several areas for the College to pay its fair share of inter-college and collegiate University costs with previous subsidies for less well-endowed colleges being tapered and gradually removed. Finally, in order to continue to meet our aspiration of ensuring that talented students from non-traditional backgrounds can come to the College and complete their studies at Cambridge irrespective of means, there remains a great need for student bursaries and hardship funds. We look forward to the new Harding-supported Bursary Programme which is due to start in 2021 and from which, as one of the poorer colleges, we stand particularly to benefit. In the meantime, the support that we have received from donors for student bursaries has been particularly valuable this year and we, and our students, are grateful for such generosity.

Plans for the future

In conclusion, in implementing its new vision, the College aims to secure its financial future through growth in student numbers, significant development of the College's estate, an increased unrestricted endowment, and a permanently funded core of positions and programmes that will enable us to deliver the vision to the benefit of our students and Fellows in a compelling manner for decades to come. As will be evident from this report, the College is actively implementing plans in all of these areas and these will continue to be the priorities over the next year whilst also ensuring that the operational and financial impacts of COVID continue to be managed. We are delighted and heartened to have received such positive and significant support for these ambitious plans from so many different people and organisations throughout this past year. Together we are confident that we can achieve the ambitious goals we have set. The College takes this opportunity to thank its Auditors and other professional advisers for their consistent and expert support.



Professor Dame Madeleine Atkins
President

Date: 11 November 2020



Mrs Lesley Thompson
Bursar

Date: 11 November 2020

1. The following statement is provided by the Trustees 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, registration number 1137875, and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The President and Fellows in Classes A, B and C constitute the Governing Body of the College. The Governing Body is constituted and regulated in accordance with the College statutes and is the body responsible for the strategic direction of the College. Members of the Governing Body are also the Trustees of the charity and are listed on page 2. Student representatives and Visiting Fellows are invited to Governing Body meetings for unreserved business and Fellows in Class D (research fellows) attend the unreserved and reserved meetings as observers. There is usually one formal Governing Body meeting and one informal meeting per term, together with the Audit meeting during the Michaelmas term at which the audited accounts are approved.
4. Ongoing administration and management of the finances and assets of the College is carried out by the College Council which is composed ex officio of the senior officers (see below) together with five elected GB members, two student representatives and one staff representative. Council meets fortnightly during term time and just before and after term as necessary. From Michaelmas term 2020 it will meet less frequently and the Governing Body will meet more often.

Membership of the Council during the Financial Year 2019-20:

Prof Dame Madeleine Atkins, President, ex officio

Dr Henriette Hendriks, Vice-President, ex officio

Mrs Lesley Thompson, Bursar, ex officio

Dr Jane Greatorex, Senior Tutor, ex officio

Ms Alison Vinnicombe, Secretary to the Council, ex officio

Dr Sarah Gull to 30 September 2019

Dr Victoria Harvey to 29 February 2020

Mrs Christine Houghton

Dr Mark King from 11 March 2020

Dr Eileen Nugent from 1 October 2019

Dr Orsola Rath Spivack

5. There are a small number of committees and working groups which report to Governing Body and/or Council, including an Audit Committee.
6. It is the duty of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal, to monitor the implementation of recommendations made by the auditors; to make an annual report to the Trustees.
7. The principal officers of the college are:

President	Professor Dame Madeleine Atkins
Vice President	Dr Henriette Hendriks
Senior Tutor	Dr Jane Greatorex, Senior Tutor
Bursar	Mrs Lesley Thompson MA FCA

Delegated authority is given to them during the Long Vacation.

8. There are Registers of Interests of Trustees, the Council and Audit Committee and of the senior administrative officers. Declarations of interest are made systematically at meetings.
9. The College's Trustees during the year ended 30 June 2020 are set out on page 2.

10. Statement of Internal Control

The Trustees are 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 College Statutes.

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

The systems of internal control are 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.

The Trustees are responsible for reviewing the effectiveness of the system of internal control.

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

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

11. Financial management and control

The College operates a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation and for bringing forward budget proposals through an annual budgeting process. Fellows, members of staff and students are encouraged to participate in the process through membership of relevant committees and working groups. The Budget is then considered by Council prior to approval by the Governing Body.

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements the Trustees are required to:

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

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

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

Opinion

We have audited the financial statements of Lucy Cavendish College (the 'College') for the year ended 30 June 2020 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2020 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- The information given in the report of the Governing Body is inconsistent in any material respect with the financial statements ; 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 trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

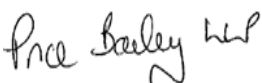
Auditors' responsibilities for the audit of the financial statements

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

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 auditors' report.

Use of our report

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



PRICE BAILEY LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 04 December 2020

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

Basis of preparation

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

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

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

The functional and presentational currency of the College is GBP. The level of rounding applied is to the nearest £000.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and certain land and buildings.

Basis of consolidation

The consolidated financial statements include the financial statements of The College and its subsidiary undertakings for the year ended 30th June 2020. Details of the subsidiary undertakings included are set out in note 24. Intra-group balances are eliminated on consolidation.

The activities of student societies have not been consolidated.

Recognition of income***Academic fees***

College fee income is recognised in the period for which it is received and includes all fees chargeable to students or their sponsors.

Grant income

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

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

Amounts receivable from the government's corona virus job retention scheme was £154,681.

Donations and endowments

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

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

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

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

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

Investment income and change in value of investment assets

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

Total return

The Governing Body agreed that the transfer made under Total Return would equate to 3 per cent. This is in line with The College spending rule which permits the transfer of no more than 5 per cent of the closing balance of the fund. Each transfer is subject to the specific agreement of the Governing Body.

Other income

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

Cambridge Bursary Scheme

In 2019-20 payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £27,702 (2019: £25,653) is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see Note 1)	£202,210 (2019: £187,144)
Expenditure	£229,912 (2019: £212,797)

Going concern

As a result of the COVID-19 pandemic the Governing Body have considered various future scenarios and the impact of possible continued and new reductions to income, particularly conferences, accommodation and investment income. These future budgets and forecasts indicate how the College is able to respond to possible income reductions in a timely manner so that there is no interruption to its services to students. The governing body also has reviewed the implications of further lockdowns.

As a result of their assessment of the implications of the pandemic and various strategies and options to deal with these the Governing Body has confirmed the College's ability to continue in operation and on that basis they have adopted the going concern assumption within these financial statements. The Governing Body confirm the College's ability to continue as a going concern.

Tangible fixed assets

a. Land and buildings

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

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

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

Freehold buildings are depreciated on a componentisation basis. Freehold land is not depreciated as it is considered to have an indefinite useful life.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to 30th June 2020. 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.

b. Maintenance of premises

The cost of refurbishment is capitalised and depreciated over the expected useful economic life of the asset concerned. The College also sets aside sums periodically to meet future maintenance costs. Refurbishments which provide significantly enhanced facilities and benefits and cost above £10,000 are capitalised and depreciated over 5 years / their useful economic life according to the asset classification. Maintenance costs are expensed through the income and expenditure account each year and the College sets aside sums periodically to meet future maintenance costs.

c. Furniture, fittings and equipment

Furniture, fittings and equipment are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	5 years
Information Technology	3 years
Kitchen equipment	3 years
Library books	40 years
General mechanical equipment	3 years
Air conditioning units	10 years

d. Leased assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

e. Heritage Assets

The College does not currently hold any heritage assets.

Investments

Fixed asset investment and endowment assets are included in the balance sheet at fair value except for investment in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment which is considered to be the market value.

Silver, works of art and other assets not related to education are valued at insurance value.

Stock

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

Provisions

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

Contingent liabilities and assets

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

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

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

Current Assets and Liabilities

Debtors: Short term debtors are measured at transaction price, less impairment

Cash and Cash Equivalents: Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors: Short term creditors are measured at the transaction price

Financial instruments

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

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

Financial assets

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

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

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

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

Financial Liabilities

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

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

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

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

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

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

Legacy accounting policy

For legacies, entitlement is taken as the earlier of the date of which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material. '

Taxation

The College is a registered charity (number 1137875) 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.

Employment benefits

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

Reserves

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

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

Pension schemes

The College participates in the 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 participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

The College operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

NOW pension

The College operates an insured money purchase pension scheme for its staff. The assets of the scheme are held separately from those of the College.

The College's contributions to the scheme amounted to £43,884 (2019: £30,530), with contributions of £7,110 (2019 £5,002), outstanding at the balance sheet date.

Critical accounting judgements

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

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

Income recognition

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

Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 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 and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 15.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2021. 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 23.

Year ended 30th June 2020		2019-20				2018-19			
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Note	£000	£000	£000	£000	£000	£000	£000	£000
Income									
Academic fees and charges	1	1,896	-	-	1,896	1,540	-	-	1,540
Accommodation, catering and conferences	2	2,385	-	-	2,385	2,359	-	-	2,359
Investment income	3	-	-	362	362	14	-	426	440
Endowment return transferred to income and expenditure account	3	284	130	(414)	-	281	119	(400)	-
Other Income including furlough grants		234	-	-	234	52	-	-	52
Total income before donations and endowments		4,799	130	(52)	4,877	4,246	119	26	4,391
Donations		202	264	-	466	91	297	-	388
New Endowments		-	-	170	170	-	-	82	82
Capital grant from Colleges Fund		920	-	-	920	-	-	876	876
Other capital grants for assets							27		27
Total income		5,921	394	118	6,433	4,337	443	984	5,764
Expenditure									
Education	4	2,223	338	-	2,561	1,913	265	-	2,178
Accommodation, catering and conferences	5	3,348	-	-	3,348	2,803	-	-	2,803
Other expenditure		241	-	72	313	181	-	72	253
Total expenditure	6	5,812	338	72	6,222	4,897	265	72	5,234
Surplus/(deficit) before gains and losses		109	56	46	211	(560)	178	912	530
(Loss)/Gain on investments	9	-	(18)	(858)	(876)	(6)	9	554	557
Surplus/(deficit) for the year		109	38	(812)	(665)	(566)	187	1,466	1,087
Other comprehensive income									
Actuarial (Loss)/gain in respect of pension schemes	15	(16)	-	-	(16)	(14)	-	-	(14)
Total comprehensive income for the year		93	38	(812)	(681)	(580)	187	1,466	1,073

The notes on pages 38 to 60 form part of these financial statements

Year ended 30th June 2020

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
	£000	£000	£000	£000
Balance at 1 July 2019	30,057	1,207	13,754	45,018
Surplus/(Deficit) from income and expenditure statement	109	39	(813)	(665)
Other comprehensive income	(16)	-	-	(16)
Release of restricted capital funds spent in the year	1	(1)	-	-
Balance at 30 June 2020	30,151	1,245	12,941	44,337

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
	£000	£000	£000	£000
Balance at 1 July 2018	30,606	1,051	12,288	43,945
Surplus/(Deficit) from income and expenditure statement	(566)	187	1,466	1,087
Other comprehensive income	(14)	-	-	(14)
Release of restricted capital funds spent in the year	31	(31)	-	-
Balance at 30 June 2019	30,057	1,207	13,754	45,018

There is no material difference between the College and the Group figures

The notes on pages 38 to 60 form part of these financial statements

		2020	2020	2019	2019
		Consolidated	College	Consolidated	College
	Note	£000	£000	£000	£000
Non-current Assets					
Tangible Assets	8	36,388	36,410	35,877	35,877
Investments	9	14,268	14,268	15,487	15,487
Total non-current assets		50,656	50,678	51,364	51,364
Current Assets					
Stock	10	21	21	22	22
Trade and other receivables	11	465	420	318	316
Cash and cash equivalents	12	842	837	607	604
Total current assets		1,328	1,278	947	941
Creditors: amounts falling due within one year	13	(1,091)	(1,041)	(872)	(867)
Net current assets		237	237	75	75
Creditors: amounts falling due after more than one year	14	(6,044)	(6,044)	(6,044)	(6,044)
Provisions					
Pension provisions	15	(512)	(512)	(377)	(377)
Total net assets		44,337	44,359	45,018	45,018
Restricted reserves					
Income and expenditure reserve - endowment reserve	16	12,941	12,941	13,754	13,754
Income and expenditure reserve - restricted reserve	17	1,245	1,245	1,207	1,207
Total restricted reserves		14,186	14,186	14,961	14,961
Unrestricted reserves					
Income and expenditure reserve - unrestricted		30,151	30,173	30,057	30,057
Total unrestricted reserves		30,151	30,173	30,057	30,057
Total reserves		44,337	44,359	45,018	45,018

The financial statements were approved by Governing Body on 11th November 2020 and signed on its behalf by:



Professor Dame Madeleine Atkins
President



Mrs Lesley Thompson
Bursar

The notes on pages 38 to 60 form part of these financial statements.

Consolidated Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 £000	2019 £000
Net cash inflow from operating activities	19	1,443	1,479
Cash flows from investing activities	20	(939)	(906)
Cash flows from financing activities	21	(268)	(268)
Increase in cash and cash equivalents in the year		236	305
Cash and cash equivalents at the beginning of the year		606	301
Cash and cash equivalents at the end of the year	12	842	606

1 Academic fees & charges	Per capita fee	2020	2019
		£,000	£,000
Fee income received at the Regulated Undergraduate rate	£4,500 & £4,625	462	394
Fee income received at the Unregulated Undergraduate rate	£7,875, £8,280, £8,700	258	176
Fee income received at the Graduate rate	£3,911	974	783
Total		1,694	1,353
Cambridge bursary income		202	187
Total		1,896	1,540
2 Income from accommodation, catering and conferences		2020	2019
		£,000	£,000
Accommodation	College members	1,612	1,493
	Conferences	284	299
Catering	College members	123	140
	Conferences	366	427
Total		2,385	2,359
3 Endowment return and investment income		2020	2019
		£,000	£,000
3a Analysis			
Total return contribution (see note 3b)		414	400
Income from:			
Land and buildings		4	42
Quoted securities		410	358
Total		414	400
3b Summary of total return		2020	2019
		£,000	£,000
Income from:			
Land and buildings		4	41
Quoted and other securities and cash		358	399
Total income		362	440
(Losses)/Gains on endowment assets:			
Land and buildings		-	100
Quoted and other securities and cash		(876)	457
Total Losses/Gains on endowment assets		(876)	557
Investment management costs (see note 3c)		(72)	(72)
Total return for the year		(586)	926
Total return transferred to income & expenditure reserve (see note 3a)		414	400
Unapplied total return for year included within statement of Comprehensive Income and Expenditure (see note 18)		(1,000)	525

3c Investment management costs	2020	2019
	£,000	£,000
Quoted securities	(72)	(72)

Other Income

Includes £154,671 receivable from the Government's Corona Virus Job Retention Scheme

4 Education Expenditure	2020	2019
	£,000	£,000
Teaching	964	820
Tutorial	489	408
Admissions	428	335
Research	113	122
Scholarships & Awards	453	402
Other Educational Facilities	114	91
	2,561	2,178

5 Accommodation, catering and conferences expenditure	2020	2019
	£,000	£,000
Accommodation		
College members	2,263	1,774
Conferences	399	355
Catering		
College members	172	166
Conferences	514	508
	3,348	2,803

6a Analysis of 2019/20 expenditure by activity

	Staff costs (note 7)	Other Op Exps	Depreciation	2020
	£,000	£,000	£,000	£,000
Education	1,177	1,184	200	2,561
Accommodation, catering and conferences	1,223	1,489	636	3,348
Other	156	155	2	313
	2,556	2,828	838	6,222

Expenditure includes fundraising costs of £150,316 This expenditure excludes the costs of alumni relations

6b Analysis of 2018/19 expenditure by activity

	Staff costs (note 7)	Other Op Exps	Depreciation	2019
	£,000	£,000	£,000	£,000
Education	973	1,009	196	2,178
Accommodation, catering and conferences	1,087	1,093	623	2,803
Other	127	124	2	253
	2,187	2,226	821	5,234

Expenditure includes fundraising costs of £113,073 This expenditure excludes the costs of alumni relations

6c Audit fees	2020	2019
Other operating expenses include:	£,000	£,000
Audit fees payable to the College's external auditors	19	16
Other fees payable to the College's external auditors	15	-
	34	16

7 Staff costs

	Academic	Non Academic	2020
	£,000	£,000	£,000
Staff costs 2019-20			
Salaries	263	1,624	1,887
National Insurance	23	129	152
Pension costs	137	298	435
External teaching costs	82	-	82
Total	505	2,051	2,556

	Academic	Non Academic	2019
	£,000	£,000	£,000
Staff costs 2018-19			
Salaries	278	1,439	1,717
National Insurance	22	108	130
Pension costs	170	108	278
External teaching costs	62	-	62
Total	532	1,655	2,187

Included within non academic salaries are the President, Domestic Bursar, Registrar, Bursar, Development Director and all other non-teaching staff

	Average staff no 2020		Average staff no 2019	
	No. of fellows	FTE	No. of fellows	FTE
Academic	17	N/A	16	N/A
Non academic	5	4.62	5	4.57
Total fellows	22	4.62	21	4.57
Other non academic teaching staff	67	50.21	67	46.37
Total fellows and staff	89	54.83	88	50.94

Average staff numbers does not include external teachers

At the Balance Sheet date there were 50 (2019: 36) members of the Governing Body. During the year the average number receiving remuneration was 20 fellows and two research fellows (2019: 20 and one research fellow).

No officer or employee of the College, including the President, 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 remuneration paid to key management personnel i.e. President and all stipendiary Fellows. Aggregated remuneration consists of salary, employer's national insurance, employer's pension plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

	2020	Restated 2019
	£,000	£,000
Key Management Personnel	489	468

The Trustees received no remuneration in their capacity as Trustees of the Charity.

Prior year figure restated to show who key personnel are. Overall staff costs remain unchanged.

8a Fixed Assets - Consolidated

	College Buildings £,000	Furniture & Equip £,000	IT £,000	Kitchen Equip £,000	Library Books £,000	Mech Equip £,000	Total 2020 £,000	Total 2019 £,000
COST/VALUATION								
At 1st July 2019	37,639	546	828	67	680	1,160	40,920	40,513
Additions	1,110	19	85	3	11	122	1,350	412
Disposals at cost/valuation	-	-	-	-	(1)	-	(1)	(5)
Cost valuation at 30th June 2020								
	38,749	565	913	70	690	1,282	42,269	40,920
DEPRECIATION								
At 1st July 2019	2,567	457	758	66	289	906	5,043	4,223
Provided for the year	513	35	71	2	17	200	838	821
Eliminated on disposal	-	-	-	-	-	-	-	(1)
Depreciation at 30th June 2019								
	3,080	492	829	68	306	1,106	5,881	5,043
Net book value								
At 30th June 2020	35,669	73	84	2	384	176	36,388	-
At 30th June 2019	35,072	89	70	1	391	254	-	35,877

The Insured Value of Freehold Land and Buildings as at 30th June 2020 was £28,526,119 (2019: £27,668,396)
The consolidated cost of freehold buildings and assets in construction consists of the costs incurred by the College less the surplus recorded in the accounts of Lucy Cavendish Estates Limited, a subsidiary undertaking, and eliminated on consolidation.

8b Fixed Assets - College Only

	College Buildings & Site £,000	Furniture & Equip £,000	IT £,000	Kitchen Equip £,000	Library Books £,000	Mech Equip £,000	Total 2020 £,000	Total 2019 £,000
COST/VALUATION								
At 1st July 2019	37,639	546	828	67	680	1,160	40,920	40,513
Additions	1,132	19	85	3	11	122	1,372	412
Disposals at cost/valuation	-	-	-	-	(1)	-	(1)	(5)
Cost valuation at 30th June 2020	38,771	565	913	70	690	1,282	42,291	40,920
DEPRECIATION								
At 1st July 2019	2,567	457	758	66	289	906	5,043	4,223
Provided for the year	513	35	71	2	17	200	838	821
Eliminated on disposal	-	-	-	-	-	-	-	(1)
Depreciation at 30th June 2019	3,080	492	829	68	306	1,106	5,881	5,043
Net book value								
At 30th June 2020	35,691	73	84	2	384	176	36,410	-
At 30th June 2019	35,072	89	70	1	391	254	-	35,877

9 Investments	2020	2019
	£,000	£,000
Balance b/fwd 1st July	15,487	14,350
Gain on works of art/property	-	74
Additions	3,710	2,082
Disposals	(5,278)	(1,236)
Increase/(Decrease) in cash held by fund managers	243	(132)
Gain on revaluation	106	349
Balance c/fwd June	14,268	15,487

	2020	2019
	£,000	£,000
Represented by:		
Property	-	750
Other investments	469	469
Quoted securities - equities	4,652	4,579
Quoted securities - europe/overseas	5,914	6,524
Quoted securities - fixed interest	2,121	2,295
Cash in hand and at investment managers	1,112	870
	14,268	15,487

Historical cost of investments

	2020	2019
	£,000	£,000
Historical cost of investment property	<u>-</u>	<u>£300</u>
Total historical cost of other investments	<u>£478</u>	<u>£478</u>
Total historical cost of investment portfolio	<u>£11,529</u>	<u>£10,527</u>

10 Stock	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
	£,000	£,000	£,000	£,000
Stock	21	21	22	22
11 Trade and other receivables	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
	£,000	£,000	£,000	£,000
Conference debtors control	19	30	153	151
Members of the College	18	18	24	24
Prepayments and accrued income	324	324	142	142
Other	104	48	(1)	(1)
	465	420	318	316
12 Cash	2020	2020	2019	2019
	£,000	£,000	£,000	£,000
Current Account	842	837	606	604
13				
Creditors: amounts falling due within one year	2020	2020	2019	2019
	£,000	£,000	£,000	£,000
Trade Creditors	468	430	99	99
University Fees	39	39	53	53
Accruals and deferred income	180	168	184	179
Members of the college	122	122	91	91
Conference deposits	1	1	251	251
Other	281	281	194	194
	1,091	1,041	872	867
14 Creditors: amounts falling due after more than one year	2020	2020	2019	2019
	£,000	£,000	£,000	£,000
Private Placement Funding	3,480	3,480	3,480	3,480
Private Placement Funding	2,564	2,564	2,564	2,564
	6,044	6,044	6,044	6,044

During 2013-14, the College has borrowed from institutional investors, collectively with other Colleges, the College's share being £6 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets and has been in compliance with the covenant at all times since incurring the debt

15 Pension provisions	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
Balance at beginning of year	377	377	362	362
Movement in year:				
Current service cost including life assurance	-	-	-	-
Contributions	(185)	(185)	(168)	(168)
Other finance cost	11	11	12	12
USS Actuarial loss recognised in SOCIE	293	293	157	157
CCFPS Actuarial loss recognised in SOCIE	16	16	14	14
Balance at end of year	512	512	377	377
	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
CCFPS	130	130	114	114
USS	382	382	263	263
Total	512	512	377	377

Endowment funds**16 2019/20**

Consolidated and College restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2020	2019
	£,000	£,000	£,000	£,000
Balance at beginning of year:				
Capital	4,016	9,738	13,754	12,288
New endowments received	250	(80)	170	958
(Decrease)/increase in investment return	-	(52)	(52)	26
Investment management charges	-	(72)	(72)	(72)
(Decrease)/increase in market value of investments	(289)	(570)	(859)	554
Balance at end of year	3,977	8,964	12,941	13,754
Represented by:				
Capital	3,977	8,964	12,941	13,754
Analysis by type of purpose:				
Fellowship funds	1,170		1,170	1,260
Scholarship funds	1,760		1,760	1,634
Prizes funds	75		75	81
Hardship funds	348		348	375
Travel grant funds	2		2	2
Other funds	622		622	664
General endowments	-	8,964	8,964	9,737
Total	3,977	8,964	12,941	13,754
Analysis by asset:				
Property	-	-	-	750
Investments	3,977	8,964	12,941	13,004
	3,977	8,964	12,941	13,754

16 Endowment funds 2018/19

Consolidated and College restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2019	2018
	£,000	£,000	£,000	£,000
Balance at beginning of year:				
Capital	3,865	8,423	12,288	11,071
New endowments received	2	956	958	844
Increase/(decrease) in investment return	-	26	26	(91)
Investment management charges	-	(72)	(72)	(66)
Increase /(decrease) in market value of investments	149	405	554	530
Balance at end of year	4,016	9,738	13,754	12,288
Represented by:				
Capital	4,016	9,738	13,754	12,288
Analysis by type of purpose:				
Fellowship funds	1,260	-	1,260	1,212
Scholarship funds	1,634	-	1,634	1,573
Prizes funds	81	-	81	76
Hardship funds	375	-	375	361
Travel grant funds	2	-	2	2
Other funds	664	-	664	641
General endowments	-	9,738	9,738	8,423
Total	4,016	9,738	13,754	12,288
Analysis by asset:				
Property	-	750	750	650
Investments	4,016	8,988	13,004	11,638
	4,016	9,738	13,754	12,288

Restricted reserves**17 2019/20**

Consolidated and College reserves with restrictions are as follows:

	Permanent unspent and other restricted income	Capital grants unspent	Other restricted funds/ donations	2020	2019
Balance at beginning of year:					
Capital	-	13	323	336	132
Accumulated income	871	-	-	871	920
New grants	-	-	-	-	-
New donations	117	-	146	263	323
Investment income	133	-	-	133	119
Increase/(decrease) in market value of investments	-	-	(18)	(18)	9
Capital grants utilised	-	(1)	-	(1)	(31)
Expenditure	(31)	-	(308)	(339)	(265)
Balance at end of year	1,090	12	143	1,245	1,207
Analysis of other restricted funds/donations by type of purpose					
Fellowship funds	566		5	571	557
Scholarship funds	412		102	514	467
Prizes funds	21		3	24	12
Hardship funds	48		-	48	84
Travel grant funds	-		-	-	-
Other funds	43		33	76	74
General	-	12		12	13
Total	1,090	12	143	1,245	1,207
Balance at end of year:					
Capital	-	12	143	155	336
Accumulated income	1,090	-	-	1,090	871
Balance at end of year	1,090	12	143	1,245	1,207

17 Restricted reserves 2018/19

Consolidated and College reserves with restrictions are as follows:

	Permanent unspent and other restricted income	Capital grants unspent	Other restricted funds/donations	2019	2018
Balance at beginning of year:					
Capital	-	17	115	132	277
Accumulated income	912		8	920	979
New grants	-			-	-
New donations	29	27	267	323	101
Investment income	119		-	119	136
Increase/(decrease) in market value of investments			9	9	-
Capital grants utilised	-	(31)	-	(31)	(1)
Expenditure	(189)	-	(76)	(265)	(442)
Balance at end of year	871	13	323	1,207	1,050
Analysis of other restricted funds/donations by type of purpose					
Fellowship funds	537		20	557	533
Scholarship funds	198		269	467	334
Prizes funds	10		2	12	15
Hardship funds	84		-	84	100
Travel grant funds	-		-	-	-
Other funds	42		32	74	52
General	-	13		13	17
Total	871	13	323	1,207	1,050
Balance at end of year:					
Capital	-	13	323	336	134
Accumulated income	871	-	-	871	917
Balance at end of year	871	13	323	1,207	1,050

18 Memorandum Unapplied Total Return

Included within reserves, the following amounts represent the Unapplied Total Return of the College:

	2020	2019
	£,000	£,000
Unapplied Total Return at beginning of year	6,500	5,975
Unapplied Total Return for year (see note 3b)	(1,000)	525
Unapplied total return at year end	5,500	6,500

Reconciliation of consolidated surplus for the year to net			
19	cash inflow from operating activities		
		2020	2019
		£,000	£,000
	(Deficit)/Surplus for the year	(681)	1,073
	Adjustments for non-cash items		
	Depreciation	838	821
	Investment Income	(414)	(400)
	Loss/(gain) on endowments, donations and investment property	876	(557)
	Disposal of fixed assets	(1)	(3)
	Interest Payable	-	-
	Increase pension cost less contributions payable	136	15
	Decrease/(increase) in Stocks	1	(2)
	(Increase)/Decrease in Debtors	(147)	(90)
	Increase/(Decrease) in Creditors	219	35
		<u>1,508</u>	<u>(181)</u>
	Adjustments for investing or financing activities		
	Investment income	348	319
	Interest payable	268	268
		<u>616</u>	<u>587</u>
	Net cash inflow from operating activities	1,443	1,479
20	Cash flows from investing activities		
	Addition	330	-
	Investment income	362	440
	Endowment funds invested	(281)	(934)
	Payments made to acquire non-current assets	(1,350)	(412)
	Total cash flows from investing activities	(939)	(906)
21	Cash flows from financing activities		
	Interest paid	(268)	(268)
	Interest element of finance lease rental payment	-	-
	New secured loan	-	-
	Repayments of amounts borrowed	-	-
	Capital element of finance lease rental payments	-	-
	Total cash flows from financing activities	(268)	(268)

Consolidated reconciliation and analysis of net debt

	At 1 July 2019 £000	Cashflows £000	Acq & disposal subsidiaries £000	New finance leases £000	Other non cash changes £000	Changes in market value and exch rates £000	At 30th June 2020 £000
Cash and cash equivalents	607	235	-	-	-	-	842
Amounts falling due after more than one year							
Bond - Aviva	1,959	-	-	-	-	-	1,959
Bond - Canada Life	1,521	-	-	-	-	-	1,521
Bond - Pricoa	2,564	-	-	-	-	-	2,564
Total	6,044	-	-	-	-	-	6,044

22 Lease obligations

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

	2020	2019
Land and buildings:		
Expiring within one year	954	693
Expiring between two and five years	2,599	2,405
	3,553	3,098

23 Pension Schemes

FRS 102 Section 28 Post Employment Benefits

Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relates to the deficit) and the resulting expense in the profit and loss in accordance with section 28 of FRS 102. The directors are satisfied that the scheme provided by 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 recovery plan in existence at the date of approving the financial statements.

Pension Costs

The total cost charged to the profit and loss account is £177k (2019: £161k) as show in Note 15.

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

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

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

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)	Year 1-10: CPI +.14% reducing linearly to CPI – .73% Years 11-20: CPI +2.52% reducing linearly to CPI +1.55% by year 21 Years 21 +: CPI + 1.55%

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

2018 valuation

Mortality base table:

Pre- retirement:
71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
Post retirement:
97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females

Future improvements to mortality:

CMI_2017 with a smoothing parameter of 8.5 and a long term improvement
Rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	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	2.59%	2.44%
Pensionable salary growth	4.20%	2.11%

Events after the end of the reporting period defined

Events after the end of the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. There are two types of events:

- Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the end of the reporting period); and
- Those that are indicative of conditions that arose after the end of the reporting period (non-adjusting events after the end of the reporting period).

Cambridge Colleges Federated Pension Scheme

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

The liabilities of the plan have been calculated, at 30 June 2020, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2020 % p.a.	2019 % p.a.
Discount rate	1.45	2.25
RPI assumption	3.10	3.40
CPI assumption	2.20	2.40
Pension increases in payment (RPI Max 5% p.a.)	3.00	3.30

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

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

	Male	Female
Deferred Members – Option 1 Benefits	62	60

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

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

	2020 £	2019 £
Present value of plan liabilities	(460,555)	(427,892)
Market value of plan assets	330,644	313,457
Net defined benefit asset/(liability)	(129,911)	(114,435)

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

	2020 £	2019 £
Current service cost	-	-
Administration Expenses	4,154	4,154
Interest on net defined benefit (asset)/liability	2,575	2,728
(Gain)/loss on plan changes	-	-
Curtailement (gain)/loss	-	-
Total	6,729	6,882

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

	2020 £	2019 £
Present value of plan liabilities at beginning of period	427,892	393,667
Current service cost (including Employee contributions)	-	-
Employee contributions	-	-
Benefits paid	(10,494)	(10,225)
Interest on plan liabilities	9,510	10,492
Actuarial (gains)/losses	33,647	33,958
(Gain)/loss on plan changes	-	-
Curtailement (gain)/loss	-	-
Present value of plan liabilities at end of period	460,555	427,892

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

	2020 £	2019 £
Market value of plan assets at beginning of period	313,457	292,643
Contributions paid by the College	7,544	7,544
Employee contributions	-	-
Benefits paid	(10,494)	(10,225)
Administration Expenses	(4,548)	(4,453)
Interest on plan assets	6,935	7,764
Return on assets, less interest included in Profit & Loss	17,750	20,184
Market value of plan assets at end of period	330,644	313,457

Actual return on plan assets	24,685	27,948
------------------------------	--------	--------

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

	2020	2019
Equities	49%	57%
Bonds & Cash	41%	34%
Property	10%	9%
Total	100%	100%

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

Analysis of the 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:

	2020 £	2019 £
Return on assets, less interest included in Profit & Loss	17,750	20,184
Expected less actual plan expenses	(394)	(299)
Experience gains and losses arising on plan liabilities	3,232	(422)
Changes in assumptions underlying the present value of plan liabilities	(36,879)	(34,380)
Actuarial gain/(loss) recognised in OCI	(16,291)	(14,073)

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

	2020 £	2019 £
Net defined benefit asset/(liability) at beginning of year	(114,435)	(101,024)
Recognised in Profit and Loss	(6,729)	(6,882)
Contributions paid by the College	7,544	7,544
Re-measurement of net defined benefit liability recognized in OCI	(16,291)	(14,073)
(Deficit)/Surplus in plan at the end of the year	(129,911)	(114,435)

Funding Policy

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

The last such 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 £3,390 p.a. payable for the period from 1 July 2018 to 31 December 2034.

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

24 Principal Subsidiary Undertakings

	Company number	Country of Incorporation and Operation	Cost	Class of shares	Proportion of shares held
Lucy Cavendish Trading Limited	02844689	England	2	Ordinary	100%
Lucy Cavendish Estates Limited	12218836	England	1	Ordinary	100%

The principal activity of the above companies is detailed in the directors' reports of the individual companies' financial statements and are included in the consolidated summary of income and expenditure and net assets and liabilities for the year.

Lucy Cavendish Trading Limited supplies varied conference services.

Lucy Cavendish Estates facilitates estates development for the College.

Registered office address:

Lady Margaret Road
Cambridge
CB3 0BU

25 Related Party Transactions

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

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

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

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

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

From	To	2020	2019
£0	£10,000	9	9
£10,001	£20,000	1	2
£20,001	£30,000	2	2
£30,001	£40,000	2	2
£40,001	£50,000	1	1
£50,001	£60,000	4	3
£60,001	£70,000	-	-
£70,001	£80,000	1	1
£80,001	£90,000	-	-
	Total	20	20

The total trustee salaries were £519k for the year (2019: £484k)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions) and employer contributions to pensions) which totalled £117k for the year (2019: £117k)

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

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

There are no other related party transactions to note.

Post Balance Sheet events

As a result of the COVID-19 pandemic and UK Government interventions to stop the spread of the virus the College operated largely from home from 27th March 2020 and had to cancel its conferences and events and refund student accommodation fees. At the time of signing these accounts, the College is still not booking events and conferences in the future. Whilst students have been able to return to College for Michaelmas Term 2020, it is not possible to know whether further measures may be required later in the year. These may be similar to those implemented in Summer Term 2020 where education was delivered online, students were encouraged to return home and accommodation fees were reimbursed. The College is delivering its education in most situations remotely / online although small lectures are continuing for certain subjects.

The operational and financial impact of the pandemic is assessed on a regular basis by the Governing Body of the College and plans adjusted accordingly.