

**CHURCHILL COLLEGE IN THE
UNIVERSITY OF CAMBRIDGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

Charity Registration Number: 1137476

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
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FOR THE YEAR ENDED 30 JUNE 2020

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CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30 JUNE 2020

Churchill College in the University of Cambridge

Address

Charity Registration Number
1137476

VAT Registration Number
GB 732 155 751

Churchill College
Storey's Way
Cambridge, CB3 0DS

Trustees

The Trustees of the College are the members of the College Council. The Trustees during 2019/20 were:

Master	Prof Dame Athene Donald (Chair)
Vice-Master	Prof K Siddle (to 08/07/19), Prof A Webber (from 09/07/19)
Senior Tutor	Mr R Partington
Bursar	Mrs T M James
Senior Postgraduate Tutor	Dr I B Kingston (to 30/09/19), Dr E DeMarrais (from 01/10/19)
MCR President	Ms J Ijaz
MCR Council Member	Ms A Harper
JCR President	Mr K Heal (to 30/11/19), Mr A Ashby (from 01/10/19)
JCR Member	Mr W Bashir (to 30/11/19), Ms H Saint (from 01/12/19)
Staff Members	Mrs S Cook, Mr D Spaxman (to 19/01/20), Ms E Davis (from 20/01/20)
Fellows	Dr M Holmes Dr A Reid Dr Jardine-Wright Dr S Savory Prof M Kramer (from 01/01/20) Dr J Toner Dr M Linterman Dr P van Houten (to 31/12/19) Mr B Phipps

Senior Officers

Master	Prof Dame Athene Donald
Vice-Master	Prof K Siddle (to 08/07/19), Prof A Webber (from 09/07/19)
Senior Tutor	Mr R Partington (Dr Jardine-Wright Acting senior tutor 01/04/20 to 31/09/20)
Bursar	Mrs T M James
Senior Postgraduate Tutor	Dr I B Kingston (to 30/09/19), Dr E DeMarrais (from 01/10/19)

Principal Advisers

Auditors

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

Bankers

Lloyds Bank
3 Sidney Street
Cambridge
CB2 3HG

Investment Fund and Property Managers

Charles Stanley Pan Asset	Edgbaston Investment Partners	LGT Capital Partners
Charities Property Fund	Fundsmith LLP	Lindsell Train Global Funds
IVI Umbrella Fund	Heronbridge Investment	

Legal Advisers

Mills & Reeve LLP	Hewitsons LLP	Greenwoods GRM LLP
Botanic House	Shakespeare House	Compass House, Vision Park
98-100 Hills Road	42 Newmarket Road	Impington, Histon
Cambridge	Cambridge	Cambridge
CB2 1PH	CB5 8EP	CB24 9AD

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW

FOR THE YEAR ENDED 30 JUNE 2020

Background

Churchill College received its Royal Charter in 1960 and is the national and Commonwealth memorial to Sir Winston Churchill. The College is an autonomous, self-governing body of scholars and is one of the thirty one Colleges within the University of Cambridge. Under the College Statutes, “the students of the College shall comprise Undergraduate and Advanced Students, of whom approximately one-third shall be Advanced Students”. The Statutes also state that approximately 70% of all Undergraduates should be studying subjects in the fields of science or technology. These two statutes are fundamental to the distinct, unique nature of College. This diversity is integral to the College’s mission of reaching out to the wider world in academia, education, technology, business, the arts and politics. Churchill continues to be distinguished by its high numbers of students from “widening participation” or international backgrounds, and of older students with families as well as its relaxed, informal and friendly atmosphere.

The College is a registered Charity and its registered charity number is 1137476.

Aims and Objectives of the College

The charitable objectives of the College are:

- 1) To advance education, learning and research especially in the field of science and technology.
- 2) To provide a College wherein members of the University of Cambridge may work for degrees in the University, or may carry out post-graduate studies or other special studies at Cambridge.

Public Benefit

The College provides, in conjunction with the University of Cambridge, an education for some 845 (858 in 2018/19) undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

In addition, through the Møller Institute, the College provides courses to develop management knowledge and skills and leadership training for executives in the private, public and professional service sectors from around the world.

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 teaching and administrative duties of an academic post; there were 8 research fellows in the College for all or part of the academic year 2019/20.
- a scheme to provide a collegiate base for 10 post-doctoral By-Fellows each year, for three-year duration. There were 36 post-doctoral By-Fellows in 2019/20.
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding senior academics from abroad;

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means;
- supporting students through the provision of £1.07m in grants, bursaries and studentships and a further £45k through prizes and scholarships;
- the College's own resources, a total subsidy of over £1.72 million (£2.43 million in 2018/19) on the provision of education;
- the Churchill Archives Centre providing facilities for anyone wishing to study the papers in its collection (if allowed under government rules). There are research fellowships, tied to work in the Archives Centre, and the Centre organises lectures, symposia and exhibitions open to members of the public;
- maintaining an extensive Library, so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely.

The College also extends the use of its facilities to the local community and community organisations and participates generously in hosting programmes to bring talented young people from poorer backgrounds to Cambridge.

Funding

The College has several sources of income including fees, catering and accommodation income from students, donations, investment income and income from conference activities. As the College's income from students is not sufficient to fund the educational costs of the College, the College is reliant on its conference business as well as donations to meet its regular financial needs. The College has issued bonds totalling £24m which are due for repayment between 2042 and 2057.

Widening Participation

Churchill College aims to receive applications from the best Undergraduate students, irrespective of the background they come from. The Schools Liaison team works closely with schools and colleges to reach out to such applicants and ensure they get the best possible information about what Churchill College can offer and the admissions process.

Churchill's schools and colleges liaison work is particularly concentrated in South Wales, Surrey, Sussex, and the London boroughs of Croydon, Merton, and Sutton, which are the UK areas for which Churchill College has outreach responsibility under the provision of Cambridge's Area Links Scheme.

Covid 19 Global Pandemic

The Covid-19 virus, which caused a global health pandemic resulting in a national 'lockdown' in March 2020, had a profound impact on the citizens of the UK. This included the University of Cambridge and the constituent colleges of the collegiate University. The effect was immediate as the University and colleges closed all but essential operational buildings and transferred teaching and research online from March 2020. In accordance with government advice, all students who could were requested to leave their College accommodation.

The College did however have over 100 resident students who could not return home or had no alternative place to live and study. The College therefore maintained basic residential and catering services within government restrictions and guidelines, including the provision of a "groceries shop" to minimise the need for residents to leave the College site. 70% of College staff were put on furlough leave under the Coronavirus Job Retention Scheme, and some staff worked from home.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

During the 'lockdown' period the College continued to support teaching and research by providing online teaching and examination assessment to all of its students. The University and the colleges have worked collaboratively since the start of the pandemic with joint planning and subsequent recovery streams. This included sharing resources over student support, medical advice and scenario planning. The aim has been to protect and support the University's students and to provide a fair means of assessment in the absence of a normal examination process. A comprehensive plan for reopening the University was formulated in close consultation with the City Council and local Public Health agencies.

The pandemic has had a significant financial impact on the College. The main issues which impacted 2019/20 included the loss of student rental income following the departure of the majority of students during the lockdown phase and far lower commercial rental income from April onwards. The value of the College's investment portfolio has also been adversely affected.

The principal effects and challenges of the pandemic up to the year-end were:

- Shutting down residential accommodation and making buildings safe, including management of student belongings which had to be left when students were asked to leave quickly
- Ensuring clear communication to the various groups within the College affected by changes in the way that the College was run
- Transferring teaching online
- Providing study materials wholly online
- Reconfiguring the catering provision and introducing a shop and, later on, a basic takeaway service for remaining residents
- Escalating the IT Transformation Project, to ensure there was appropriate IT equipment, develop digital solutions and provide support to enable office-based staff to work from home
- Facilitating on-line meetings and communication between staff
- Managing the financial consequences of student rental and catering voids in Easter Term and the wholesale cancellation of the conference events for 2020 from Easter onwards
- Securing adequate supplies for College departments including those required for infection control
- Ensuring that the College Council was informed and available to make quick decisions on often limited information
- Managing the endowment financial assets during the turbulence in the financial markets
- Supporting the well-being of students remotely
- Contributing to remote examination and assessment
- Making staff comfortable with the arrangements for working in Covid-secure environments in the College as the restrictions were lifted
- Graduation in absentia without the normal opportunity to celebrate and congratulate the cohort
- Completing planned and bringing forward key refurbishment projects to maximise access and space to support provision of a Covid-secure environment

Subsequent to the year-end, the issues revolved around: planning accommodation and services generally for the new academic year including assessing and splitting the College into households; assessing and preparing rooms for socially-distanced supervisions; the A-level and admissions crisis; plans for infection control/detection with the return of students including the provision of symptomatic and asymptomatic testing; and the massive task for the academic staff of recording lectures for online delivery and being ready for appropriately socially-distanced teaching in person or online.

Most staff returned to College in September in order to facilitate the return of students for Michaelmas Term. However, administrative staff were encouraged to work from home wherever possible in order to minimise the risk of Covid 19 transmission and maximise space for operational staff and students.

Achievements and Performance

Tripas examination were classified only for a subset of third and fourth year students. Examinations were completed on-line, mainly open book. All students were guaranteed a class at least equivalent to the class achieved in the previous year. An increased number of extensions are in process for Advanced Students whose completion has been delayed.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

The College again attracted high numbers of undergraduate applications, with its recruitment efforts focussed on the state sector. It also supported various University vacation programmes to support applications from students from less privileged backgrounds. The acceptance level from state education students returned to its usual high level of over 76%.

	2020	2019	2018
Applications	85.1%	81.6%	83.3%
Offers	76.5%	71.4%	76.6%
Accepted	76.2%	62.2%	76.5%

Archives Centre

The Archives Centre was closed for 2 months for a major refurbishment comprising physical improvements to the reading room, reprographics room and storage for newly-acquired papers. A new locker room was created for researchers and the lift to the reading room was replaced. These improvements constituted the most significant upgrade to the Centre's facilities since 2002 and were funded by private philanthropy. The Centre had to close again to visitors in March as a result of the Covid 19 pandemic, though a remote service was maintained. New collections were acquired during the year and the work of processing new and existing materials continued, including the production of a published version of the wartime diaries of Churchill's youngest daughter, Mary Soames.

Several events and exhibitions took place, including an on-line exhibition based on the papers of Rosalind Franklin, who played a key role in the discovery of the structure of DNA and viruses. The British Diplomatic Oral History Project released 11 interviews during 2019/20.

Scope of the Financial Statements

In addition to the educational activities of the College, the consolidated accounts include the commercial activity of the College and, through its subsidiaries, the Møller Institute Ltd and Churchill Conferences Ltd. The surpluses from these operations are donated to the College under a Deed of Covenant and appear as donations in the College's income and expenditure statement. The figures below refer to the College accounts rather than the consolidated accounts.

Financial Review

a) Surplus for the Year

The College Statement of Comprehensive Income and Expenditure (SOCIE) shows a deficit of £2.28m for the year, compared with a surplus of £7.5m in 2018/19. The SOCIE shows all movements in net assets from one year to the next and therefore donation income which has been received for the long-term benefit of the College, losses and gains on investments as well as other adjustments.

The College's management accounts show a deficit of £131k for 2019/20, compared with a surplus of £1.95m in 2018/19. The following table shows how the management accounts reconcile to the SOCIE:

	2019/20	2018/19
(Loss)/Surplus per Management accounts	(131)	1,950
FRS102 Accruals/Provisions (sabbaticals, unpaid holiday, fixed-term contracts)	(172)	(64)
USS Pension scheme deficit recovery adjustment	534	(908)
Actuarial adjustment re CCFPS pension scheme	(360)	(29)
Long term donations/investment income	3,118	2,460
Investment (losses)/gains	(3,130)	6,092
Investment in I&E drawn from investment gains	(2,190)	(2,004)
Loss/Surplus per SOCIE	(2,331)	7,498

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

The most significant variation between 2019/20 and 2018/19 is the valuation of the College's investments. The value fell by £3.1m in 2019/20 compared with a gain of £6m in 2018/19. The portfolio was performing well until the Covid 19 pandemic affected share valuations across the World. The valuations have increased slightly since the year end and the College's portfolio continues to perform satisfactorily against its own and standard benchmarks.

Another significant change concerns the provision required in respect of the USS deficit recovery plan. This was a cost of over £900k in 2018/19 but a "refund" of over £500k in 2019/20.

The College's management accounts show a small deficit this year which reflects the lack of student accommodation and catering income for the period April to June 2020, together with the impact of having no conference income during the same period. The effects of these significant losses were mitigated to some extent as the College used the Government's Corona Virus Job Retention scheme to furlough the majority of staff from April 2020.

b) Academic Fees and Charges

These are primarily the tuition fees paid by or on behalf of students and they decreased in total by 1.5% compared with 2018/19. This was primarily the result of a decrease in the number of fee paying Postgraduate students. Charges include income to support Research Fellows and College Teaching Officers as well as income used to support the Cambridge Bursary Scheme and the Winston Churchill Studentships.

c) Donations, New Endowments and Capital Grants

The total income from donations was £4.0m, the same as in 2018/19. The College was very fortunate to receive over £1.1m in donations for the long-term endowment of the College. £470k was received to provide long-term student support, primarily for bursaries.

The gift aided donations paid to the College from its wholly owned subsidiaries is included in unrestricted donations. This totalled £684k this year (£982k in 2018/19). Rent and service charges received from the Møller Institute are included in the figures for income from accommodation, catering and conferences.

d) Endowment and Investment Performance

The College's Amalgamated Investment Fund (AIF), which makes up over 90% of the College's investments, delivered a total return of -1.0% compared with +7.2% the previous year. This reflects the downturn in the world economy and investment valuations as a result of the Covid 19 pandemic. The return compares favourably with the College's benchmark return for 2019/20 of -3.9%. £1.5m new funds were invested in the Amalgamated Investment Fund during the year, made up of new donations and unspent income held in restricted funds.

The College drew down a total of £3.98m in accordance with the agreed formula for smoothing total return from year to year compared with the drawdown of £3.67m the previous year. The drawdown per unit was 3.91% of the value at 30 June 2020 compared with 3.51% per unit as at 30 June 2019. The value of a unit in the AIF decreased from £18.81 at 30 June 2019 to £17.91 as at 30 June 2020.

e) Conferences and Catering income

The use of the facilities and amenities of the College is maximised, particularly out of term time, by extending them to commercial clients, including learned societies, other academic institutions and community education, to provide revenue to cover the fixed costs of the College and to support academic endeavours.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

Gross income from these activities (College and Conferences Ltd) decreased by 9% from £2.6m in 2018/19 to £2.3m in 2019/20. This is a reflection of the cancellation/postponement of all conference activity from March 2020, due to the pandemic.

f) Maintenance of Buildings

The College took advantage of having a site that was largely empty from March 2020 to carry out some of the maintenance projects that are difficult to do when the site is occupied. Some projects that had been planned for future years was brought forward. Consequently, total expenditure on routine building maintenance, including staff costs, increased to just over £1.2million, nearly £300k more than last year. The College spent £2.7 million on capital projects during 2019/20.

Major projects undertaken in 2019/20 included:

- the rewiring and refurbishment of two staircases - 48 and 52
- replacement of the library heating system
- major roof repairs/replacement Wolfson Hall, Library, Dining Hall, West Court and North Court
- Archives Centre refurbishment
- plant/radiator upgrades and associated asbestos removal
- construction of a perimeter path
- window oiling

The computing department were required to adapt and bring forward some significant elements of the IT transformation project. About £100k was spent on devices, software and associated costs to enable staff to work from home. A further £175k was capitalised.

In addition, £80k was spent by the Møller Institute on fixtures and fittings and £18k by Churchill Conferences Ltd.

g) Staff Costs and Pensions

Personnel costs as a whole (including related costs such as training, health and safety management, meals, recruitment) rose by 3.8%. This was due to the implementation of the strategic staffing review which added some additional posts and increased costs at the lower end of the pay-scales as well as adding discretionary increments. A 2.5% pay increase was awarded to non-academic staff from October 2019 and many were also eligible for standard increments. Academic rates of pay increased by 1.8%.

The College continues to pay into the Combined Colleges Federated Pension Scheme which is now closed to Churchill staff for future service and to new members. The College operates an auto-enrolment pension scheme with NOW Pensions. Non-academic staff appointed since 2007 have been offered a defined contribution pension, with generous contributions from the College. It retains an independent consultant to advise staff on their options. The College also offers pre-retirement courses and spent £33k on staff training during the year. Whilst staff were furloughed they were unable to work but were allowed to undertake training. The College made a wide variety of training materials available on-line for all staff to use.

Employer's contributions in the USS pension scheme remained at 19.5% during 2019/20. The further increase to 22.5 % which was expected to take effect from 1 October 2019 was delayed until October 2021. The College is required to show its estimated share of the pension fund deficit recovery plan in its accounts and this was calculated to be a "refund" of £534k in 2019/20, compared with a cost of £908k in 2018/19.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

Reserves Policy

The College intends to continue to pursue its objectives in perpetuity and has set a reserves policy which requires reserves to be maintained at a level which ensures that the core activity could be continued during a period of extreme financial difficulty.

The College's reserve policy is based on a risk identification approach. This requires an understanding of the income streams and their risk profile, the degree of commitment to expenditure and the overall risk environment in which the College operates.

The College's reserves are made up of restricted funds, unrestricted funds and those unrestricted funds which the College has designated for a particular purpose. Some of the restricted reserves are permanent i.e. they cannot be spent. The College's reserves are primarily held in the form of operational assets and investments. The value of the College's unrestricted reserves is in excess of £120m though about £85m is in the form of operational assets.

The College does not need to increase its unrestricted reserves or set a particular target of unrestricted funds to ensure that it can continue to operate through a particularly difficult financial period. However, the College does need to ensure that sufficient reserves can be converted to cash to finance its way through a period of extreme financial adversity and should identify the level of cash that could be required.

In order to identify an appropriate level of reserves, a risk based review of all income streams and areas of expenditure was carried out in 2018/19. This suggests that a reserve of between £5m and £7m is required to enable the College to continue with its core functions for at least 12 months during a period of particularly adverse financial circumstances.

The College is confident that it could achieve cash sums of between £5m and £7m, if required, through the sale of investment assets or residential properties.

The above policy takes into account the requirement to pay interest on the bonds issued by the College but not the capital repayments as these are not due for repayment until 2043 at the earliest.

The reserve policy will be revised in 2028 to include the bond repayments i.e. 15 years prior to the date the first repayment is due.

The Archives Centre has limited reserves but is largely supported by a number of grant-making trusts, most established for that purpose.

Equal Opportunities

The College is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The College's employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on the grounds of sex, marital status, ethnic origin, disability, age, class, colour, HIV/AIDS status, personal circumstances, sexual orientation or any other grounds that are unjustified in terms of equality of opportunities for all.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

Employee Relations

The College consults regularly with its non-academic employees through various methods, both formally through the forum of its Staff Consultative Group and informally. Those holding academic positions are regularly consulted through a variety of College committees and, in particular, through membership of the College Council which meets regularly during term.

Principal risks and uncertainties

The College has a system in place to identify new risks regularly and to review and update the risk register. This will ensure that action can be taken to minimise the effects of those risks and uncertainties on the College. The risk register separately identifies strategic risks and operational risks, with clear identification of the responsible officer for each of the risks.

The risk register was significantly updated in 2019/20, to account for the Covid 19 pandemic, and continues to be reviewed and revised regularly. The UK will end the transition period, following its withdrawal from the EU, at the end of 2020. Trade deals are still being negotiated, amid a global pandemic and a difficult World economy, which adds additional risk and uncertainty. The impact of the UK's withdrawal from the EU may also affect applications from students from EU countries. 2020/21 is the first year that EU students will be required to pay "overseas" fees for their courses.

Plans for the Future

The main focus for 2020/21 will be to manage the continued impact of the Covid 19 pandemic. The primary objective is to continue to offer excellent teaching and research opportunities whilst maintaining the safety of students, Fellows and staff. The College must also ensure that the finances are managed very carefully during an extended period of uncertainty and virtually no commercial activity. Students and Fellows must be supported in this challenging environment and additional focus is needed to help ensure their emotional well-being as well as their physical safety.

The major building projects to be progressed in 2020/21 are the completion of the major refurbishment of Whittinghame Lodge and the Buttery, both of which are being carried out by the College's in-house maintenance team. The IT Transformation Project will also be progressed, which is also being carried out by the College's own staff.

Significant expenditure is needed to update the mechanical services, plant and heating in East Court and the Sheppard Flats. Refurbishment work was also planned for 72 Storey's Way. However, these major projects can be delayed if necessary, in order to help with the College's working capital. Similarly, the planned construction of a Creative Hub will only be progressed if it can be substantially funded by donations.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

Corporate Governance

1. The following statement is provided by the College Council (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 (registered number 1137476) and subject to regulation by the Charity Commission for England and Wales. The members of the College Council are the charity trustees and are responsible for ensuring compliance with charity law.
3. The College Council is advised in carrying out its duties by a number of committees including a Finance Committee, an Education Committee, a Tutorial Committee, an Estates Committee, a Health, Safety and Security Committee, an Audit Committee and an Investment Committee.
4. The principal officers of the College are the Master, Vice-Master, Bursar, Senior Tutor, and Senior Postgraduate Tutor.
5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the College Council on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors and to make an annual report to the Trustees.

Membership of the Finance Committee in 2019/20 included the Master, Vice-Master, Bursar, Senior Tutor, Senior Postgraduate Tutor, Finance Manager, Dr J Ackroyd, Professor R Goldstein, Professor T Minshall, Professor D Ralph, Dr J Toner, Professor A Webb, Mr N Canetty-Clarke (external member), Mr T Ingram (external member) and representatives of the JCR and MCR.

6. Mr N Canetty-Clarke (external member) is the Chairman of the audit and risk committee. The elected members of the Governing Body are Professor P Harris and Dr D Green. Mr D Woods is an external member of the Committee.
7. There is a Register of Interests of Trustees and all Fellows and external members of the Finance, Investment and Estates Committees and of the senior administrative officers. Declarations of interest are made systematically at meetings.
8. The College's Trustees (members of the College Council) during the year ended 30 June 2020 are set out on page 2.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

Statement of Internal Control

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

1. 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.
2. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2020 and up to the date of approval of the financial statements.
3. The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
 - An approval matrix for purchasing and authorisation of actual expenditure;
 - Guidelines for limits on personal expenses;
 - Countersigning of claims by Heads of Departments and checking by accounts staff before payment;
 - Double signatures on all transactions over £20,000 by whichever means of payment;
 - Stock checks on vulnerable items on a regular basis;
 - On site security and limited access to vulnerable items.
4. The Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and College Officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports and by the Audit Committee.



Mrs T M James
Bursar

Date: 24 November 2020

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

RESPONSIBILITIES OF THE COLLEGE COUNCIL

FOR THE YEAR ENDED 30 JUNE 2020

Statement of Responsibilities of the College Council

The College Council is 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) including FRS102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" and "Statement of Recommended Practice: Accounting for Further and Higher Education".

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council 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 Council is required to:

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

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



Mrs T M James
Bursar

Date: 24 November 2020

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE COLLEGE COUNCIL OF CHURCHILL COLLEGE

FOR THE YEAR ENDED 30 JUNE 2020

Opinion

We have audited the financial statements of Churchill 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) and the Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- the financial statements give a true and fair view of the state of the College's and Group's affairs as at 30 June 2020 and of its incoming resources and application of resources for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements 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 College Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the College Council 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.

Emphasis of Matter in relation to the property valuation

We draw attention to Note 10 to the financial statements which describes that the Charity Property Fund had included a material uncertainty related to Covid-19 in the valuation report on the investment property portfolio at the year end date; however the value of the property fund subsequent to the year end at 30 September 2020 did not include a material uncertainty related to Covid-19. Our opinion is not modified in respect of this matter.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE COLLEGE COUNCIL OF CHURCHILL COLLEGE

FOR THE YEAR ENDED 30 JUNE 2020

Other information

The trustees are responsible for the other information. The other information comprises the information included in the report of the College Council 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 where the Charities Act 2011 requires us to report to you if, in our opinion:

- The information given in the report of the College Council 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 the College Council

As explained more fully in the Responsibilities of the College Council statement, the College Council 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE COLLEGE COUNCIL OF CHURCHILL COLLEGE

FOR THE YEAR ENDED 30 JUNE 2020

Use of our Report

This report is made solely to the College Council, 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 Council 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 Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP

Price Bailey LLP

Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 22 December 2020

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

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2020

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 7.

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.

Going concern

As a result of the COVID-19 pandemic the College Council 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 College Council also 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 College Council 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 College Council confirm the College's ability to continue as a going concern.

Basis of Accounting

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

Basis of Consolidation

The consolidated financial statements include the College and its wholly owned subsidiary undertakings:

- The Møller Institute Limited, whose principal activity is the provision of facilities for residential training courses and day courses, and the delivery of executive education programmes.
- Churchill Conferences Limited, whose principal activity is the provision of residential and day conference facilities.
- Churchill Residences II Limited, which develops property on the College site on behalf of the College

Details of the subsidiary undertakings are set out in note 30.

Intra-group balances are eliminated on consolidation. The consolidated financial statements do not include the activities of student societies (as these are separate bodies in which the College has no financial interest and over whose policy decisions it has no control).

Recognition of income

a. Academic Fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

b. 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.

c. 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; and
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.

d. Legacy Accounting

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the College is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executor(s) to the College that a distribution will be made, or when a notification has been made by the executors(s) to the College of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. 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.

e. 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.

f. Total Return

The Endowment is invested on a Total Return basis. The total actual income and gains/losses in the year are taken to a reserve, from which the planned Endowment drawdown is released to the Income and Expenditure account. The remaining balance of the Total Return, after deducting the drawdown, is accumulated within reserves as set out in Note 19.

g. Other Income

Income is received from a range of activities including accommodation, catering conferences and other services rendered. Income is recognised in the period in which the related goods or services are delivered.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

h. 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 £143k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	£179k
Expenditure	£322k

Foreign Currency Translation

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

Tangible fixed assets

a. Land and buildings

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

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 straight line basis over their expected useful economic life of 60 years. 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. They are not depreciated until they are brought into use.

b. Furniture, fittings and equipment

Furniture, fittings and equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10% to 20% per annum
Motor vehicles and general equipment	10% to 20% per annum
Computer equipment	10% to 33% per annum

c. 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.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

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.

d. Heritage Assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and also the volume of items and valuation issues mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 August 2014 and valued at over £500k are capitalised and recognised in the Balance Sheet at the cost or, where the assets are donated, at valuation on receipt of these assets where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Expenditure which is required to preserve or prevent further deterioration of individual items within the heritage assets is recognised in the Income and Expenditure Account when it is incurred. Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

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.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

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.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

Taxation

The College is a registered charity (number [1234567]) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

Contribution under Statute G,II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension schemes

a) Universities Superannuation Scheme

The College participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other Colleges' 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.

b) CCFPS

The College is also a member of the multi-employer defined benefits scheme, the Cambridge Colleges' Federated Pension scheme. The Churchill College section closed for accrual on 31 March 2007 when all active members were made deferred. The fund is valued every three years by a professionally qualified independent actuary. In the intervening years, the actuary reviews the progress of the scheme.

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 in perpetuity.

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

Critical Accounting Estimates and Judgements

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

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

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 9.

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.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 28.

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

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

CONSOLIDATED	Note	2020				2019			
		Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
INCOME									
Academic Fees and Charges	1	3,845	213	-	4,058	3,929	205	-	4,134
Accommodation, Catering and Conferences	2	13,102	-	-	13,102	14,655	1	-	14,656
Endowment Return Transferred	3	2,877	1,103	(3,980)	-	2,686	982	(3,668)	-
Other Investment Income	3	76	-	1,791	1,867	62	-	1,664	1,726
Total Income before Donations and Endowments		19,900	1,316	(2,189)	19,027	21,332	1,188	(2,004)	20,516
Donations		1,599	554	-	2,153	536	1,026	-	1,562
New Endowments		-	588	5	593	-	977	9	986
Other Capital Donations for Assets		-	673	-	673	-	502	-	502
Total Income		21,499	3,131	(2,184)	22,446	21,868	3,693	(1,995)	23,566
EXPENDITURE									
Education	4	5,178	601	-	5,779	5,992	575	-	6,567
Accommodation, Catering and Conferences	5	14,222	7	-	14,229	14,106	2	-	14,108
Investment Management Costs	3	71	-	-	71	69	-	-	69
Other Expenditure	6	830	818	-	1,648	901	662	-	1,563
Contribution Under Statute G,II		39	-	-	39	40	-	-	40
Total Expenditure		20,340	1,426	-	21,766	21,108	1,239	-	22,347
Surplus/(Deficit) before other Gains and Losses		1,159	1,705	(2,184)	680	760	2,454	(1,995)	1,219
Gain on Investments		(3,081)	(553)	504	(3,130)	2,416	428	3,248	6,092
Surplus for the Year		(1,922)	1,152	(1,680)	(2,450)	3,176	2,882	1,253	7,311
Other Comprehensive Income									
Actuarial Loss in Respect of Pension Schemes	16	(360)	-	-	(360)	(29)	-	-	(29)
Total Comprehensive Income for the Year		(2,282)	1,152	(1,680)	(2,810)	3,147	2,882	1,253	7,282

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

COLLEGE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2020

COLLEGE	Note	2020			2019				
		Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
INCOME									
Academic Fees and Charges	1	3,845	213	-	4,058	3,929	205	-	4,134
Accommodation, Catering and Conferences	2	6,544	-	-	6,544	7,610	1	-	7,611
Endowment Return Transferred	3	2,877	1,103	(3,980)	-	2,686	982	(3,668)	-
Investment Income	3	57	-	1,791	1,848	53	-	1,664	1,717
Total Income before Donations and Endowments		13,323	1,316	(2,189)	12,450	14,278	1,188	(2,004)	13,462
Donations		2,153	554	-	2,707	1,465	1,026	-	2,491
New Endowments		-	588	5	593	-	977	9	986
Other Capital Donations for Assets		-	673	-	673	-	502	-	502
Total Income		15,476	3,131	(2,184)	16,423	15,743	3,693	(1,995)	17,441
EXPENDITURE									
Education	4	5,178	601	-	5,779	5,992	575	-	6,567
Accommodation, Catering and Conferences	5	7,720	7	-	7,727	7,768	2	-	7,770
Investment Management Costs	3	71	-	-	71	69	-	-	69
Other Expenditure	6	830	818	-	1,648	901	662	-	1,563
Contribution Under Statute G,II		39	-	-	39	40	-	-	40
Total Expenditure		13,838	1,426	-	15,264	14,770	1,239	-	16,009
Surplus/(Deficit) before other Gains and Losses		1,638	1,705	(2,184)	1,159	973	2,454	(1,995)	1,432
(Loss)/Gain on Investments		(3,081)	(553)	504	(3,130)	2,416	428	3,248	6,092
(Deficit)/Surplus for the Year		(1,443)	1,152	(1,680)	(1,971)	3,389	2,882	1,253	7,524
Other Comprehensive Income									
Actuarial Loss in Respect of Pension Schemes	16	(360)	-	-	(360)	(29)	-	-	(29)
Total Comprehensive Income for the Year		(1,803)	1,152	(1,680)	(2,331)	3,360	2,882	1,253	7,495

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2020

CONSOLIDATED	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Balance at 1 July 2019	131,663	14,091	35,526	181,280
(Deficit)/Surplus from statement of comprehensive income and expenditure	(1,922)	1,152	(1,680)	(2,450)
Other Comprehensive Income	(360)	-	-	(360)
Balance at 30 June 2020	<u>129,381</u>	<u>15,243</u>	<u>33,846</u>	<u>178,470</u>

CONSOLIDATED	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Balance at 1 July 2018	126,717	13,008	34,273	173,998
Surplus from statement of comprehensive income and expenditure	3,176	2,882	1,253	7,311
Other Comprehensive Income	(29)	-	-	(29)
Release of Restricted Capital Funds Spent in the year	1,799	(1,799)	-	-
Balance at 30 June 2019	<u>131,663</u>	<u>14,091</u>	<u>35,526</u>	<u>181,280</u>

The notes on pages 30 to 51 form part of these accounts.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

COLLEGE STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2020

COLLEGE	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Balance at 1 July 2019	128,847	14,091	35,526	178,464
(Deficit)/Surplus from statement of comprehensive income and expenditure	(1,443)	1,152	(1,680)	(1,971)
Other Comprehensive Income	(360)	-	-	(360)
Balance at 30 June 2020	<u>127,044</u>	<u>15,243</u>	<u>33,846</u>	<u>176,133</u>

COLLEGE	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Balance at 1 July 2018	123,688	13,008	34,273	170,969
Surplus from statement of comprehensive income and expenditure	3,389	2,882	1,253	7,524
Other Comprehensive Income	(29)	-	-	(29)
Release of Restricted Capital Funds Spent in the year	1,799	(1,799)	-	-
Balance at 30 June 2019	<u>128,847</u>	<u>14,091</u>	<u>35,526</u>	<u>178,464</u>

The notes on pages 30 to 51 form part of these accounts.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2020

	Note	Consolidated 2020 £'000	College 2020 £'000	Consolidated 2019 £'000	College 2019 £'000
Non-Current Assets					
Fixed Assets	9	95,841	86,983	95,924	86,419
Investments	10	104,962	111,962	108,833	115,833
		<u>200,803</u>	<u>198,945</u>	<u>204,757</u>	<u>202,252</u>
CURRENT ASSETS					
Stock	11	683	651	659	636
Trade and Other Receivables	12	1,520	2,147	2,780	3,228
Cash and cash equivalents	13	7,154	4,301	5,229	2,732
		<u>9,357</u>	<u>7,099</u>	<u>8,668</u>	<u>6,596</u>
Creditors: Amounts Falling Due Within One Year	14	(5,122)	(3,343)	(5,510)	(3,749)
		<u>4,235</u>	<u>3,756</u>	<u>3,158</u>	<u>2,847</u>
NET CURRENT ASSETS					
Creditors: Amounts Falling Due After One Year	15	(24,390)	(24,390)	(24,304)	(24,304)
NET ASSETS EXCLUDING PENSION PROVISION					
		<u>180,648</u>	<u>178,311</u>	<u>183,611</u>	<u>180,795</u>
Pension Provision	16	(2,178)	(2,178)	(2,331)	(2,331)
NET ASSETS INCLUDING PENSION PROVISION					
		<u><u>178,470</u></u>	<u><u>176,133</u></u>	<u><u>181,280</u></u>	<u><u>178,464</u></u>
RESTRICTED RESERVES					
Income and Expenditure Reserves					
Endowment Reserve	17	33,846	33,846	35,526	35,526
Restricted Reserve	18	15,243	15,243	14,091	14,091
		<u>49,089</u>	<u>49,089</u>	<u>49,617</u>	<u>49,617</u>
UNRESTRICTED RESERVES					
Income and Expenditure Reserve					
Unrestricted		129,381	127,044	131,663	128,847
		<u>178,470</u>	<u>176,133</u>	<u>181,280</u>	<u>178,464</u>

The financial statements were approved by College Council on 24 November 2020 and signed on its behalf by:



Dame Athene Donald
Master



Mrs T M James
Bursar

The notes on pages 30 to 51 form part of these accounts.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2020

CONSOLIDATED	Note	2020 £'000	2019 £'000
Net Cash Inflow from Operating Activities	20	2,588	4,800
Cash Flows from Investing Activities	21	140	(3,819)
Cash Flows from Financing Activities	22	(803)	(803)
Increase in Cash and Cash Equivalents in Year		1,925	178
Cash and Cash Equivalents at Beginning of Year		5,229	5,051
Cash and Cash Equivalents at End of Year		7,154	5,229

The notes on pages 30 to 51 form part of these accounts.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 ACADEMIC FEES AND CHARGES	2020	2019
	£'000	£'000
College Fees:		
Fee income received at the Regulated Undergraduate rate	1,911	1,898
Fee income received at the Unregulated Undergraduate rate	696	733
Fee income received at the Graduate rate	896	924
	<u>3,503</u>	<u>3,555</u>
Other Income	555	579
	<u>4,058</u>	<u>4,134</u>

2 INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

		Consolidated	College	Consolidated	College
		2020	2020	2019	2019
		£'000	£'000	£'000	£'000
Accommodation	College Members	3,620	4,012	3,990	4,370
	Conferences	3,438	917	3,779	1,159
	International Programmes	2,784	153	2,755	187
Catering	College Members	625	625	901	901
	Conferences	2,186	771	2,847	936
	International Programmes	449	67	384	58
		<u>13,102</u>	<u>6,545</u>	<u>14,656</u>	<u>7,611</u>

3 ENDOWMENT RETURN AND INVESTMENT INCOME

3a Analysis	2020	2019
	£'000	£'000
Total Return Contribution (see note 3b)	3,980	3,668
Quoted Securities	23	23
Interest	34	30
Less: Excess of Total Return over Investment Income Received	(2,189)	(2,004)
COLLEGE	<u>1,848</u>	<u>1,717</u>
Interest	19	9
CONSOLIDATED	<u>1,867</u>	<u>1,726</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

3b Summary of Total Return	2020	2019
	£'000	£'000
Income From:		
Land and Buildings	382	389
Quoted and Other Securities and Cash	1,409	1,275
	<u>1,791</u>	<u>1,664</u>
(Losses)/Gains on Endowment Assets		
Quoted and Other Securities	(3,130)	6,092
	<u>(3,130)</u>	<u>6,092</u>
Investment Management Costs (see note 3c)	(71)	(69)
Total Return for the Year	(1,410)	7,687
Total Return Transferred to Income and Expenditure Reserve (see note 3a)	(3,980)	(3,668)
Unapplied Total Return for Year Included within Statement of Comprehensive Income and Expenditure (see note 19)	<u>(5,390)</u>	<u>4,019</u>

3c Investment Management Costs

Quoted Securities	71	69
	<u>71</u>	<u>69</u>

4 EDUCATION EXPENDITURE

	College	College
	2020	2019
	£'000	£'000
Teaching	2,151	2,535
Tutorial	787	937
Admissions (Incl Access Grants)	1,209	1,338
Research	559	679
Scholarships and Awards	606	597
Other Educational Facilities	467	481
	<u>5,779</u>	<u>6,567</u>

5 ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE

		Consolidated	College	Consolidated	College
		2020	2020	2019	2019
		£'000	£'000	£'000	£'000
Accommodation	College Members	4,084	4,084	4,003	4,003
	Conferences	3,030	1,293	5,330	1,274
	International Programmes	1,663	216	205	205
Catering	College Members	1,557	1,557	1,679	1,679
	Conferences	3,677	531	2,855	573
	International Programmes	218	46	36	36
		<u>14,229</u>	<u>7,727</u>	<u>14,108</u>	<u>7,770</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

6 OTHER EXPENDITURE	2020	2019
	£'000	£'000
Archives Centre	545	506
Bond & Loan Interest/Charges	803	803
Other	300	254
COLLEGE AND CONSOLIDATED	<u>1,648</u>	<u>1,563</u>

7a ANALYSIS OF 2019/20 EXPENDITURE BY ACTIVITY

	<u>Staff Costs (Note 8)</u>	<u>Other Operating Expenses</u>	<u>Depreciation</u>	<u>Total</u>
	£'000	£'000	£'000	£'000
CONSOLIDATED				
Education (Note 4)	2,908	2,431	440	5,779
Accommodation, Catering and Conferences (Note 5)	6,586	5,532	2,111	14,229
Other (Note 6) *	568	1,080	-	1,648
	<u>10,062</u>	<u>9,043</u>	<u>2,551</u>	<u>21,656</u>
COLLEGE				
Education (Note 4)	2,908	2,431	440	5,779
Accommodation, Catering and Conferences (Note 5)	3,209	2,819	1,699	7,727
Other (Note 6) *	568	1,080	-	1,648
	<u>6,685</u>	<u>6,330</u>	<u>2,139</u>	<u>15,154</u>

* Expenditure includes fundraising costs of 495k. This expenditure includes the cost of the alumni office.

7b ANALYSIS OF 2018/19 EXPENDITURE BY ACTIVITY

	<u>Staff Costs (Note 8)</u>	<u>Other Operating Expenses</u>	<u>Depreciation</u>	<u>Total</u>
	£'000	£'000	£'000	£'000
CONSOLIDATED				
Education (Note 4)	3,850	2,300	417	6,567
Accommodation, Catering and Conferences (Note 5)	6,637	5,361	2,110	14,108
Other (Note 6) *	493	1,070	-	1,563
	<u>10,980</u>	<u>8,731</u>	<u>2,527</u>	<u>22,238</u>
COLLEGE				
Education (Note 4)	3,850	2,300	417	6,567
Accommodation, Catering and Conferences (Note 5)	3,333	2,816	1,621	7,770
Other (Note 6) *	493	1,070	-	1,563
	<u>7,676</u>	<u>6,186</u>	<u>2,038</u>	<u>15,900</u>

* Expenditure includes fundraising costs of £423k. This expenditure includes the cost of the alumni office.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

7c Auditors Remuneration

	2020	2019
	£'000	£'000
Other Operating Costs include:		
Audit Fees payable to College's External Auditors	16	15
Audit Fees payable to Subsidiaries' External Auditors	9	11
Other Fees payable to Subsidiaries' and College's External Auditors	-	1
	<u>25</u>	<u>27</u>

8 STAFF COSTS

	Academic	Non -	Total
	2020	Academic	2020
	£'000	2020	£'000
		£'000	£'000
CONSOLIDATED 2019/20			
Staff Costs:			
Salaries	1,105	7,545	8,650
External Staff Costs	467	76	543
Change in USS Pension Provision	(534)	38	(496)
National Insurance	80	640	720
Pension Costs	221	424	645
	<u>1,339</u>	<u>8,723</u>	<u>10,062</u>

	Academic	Non -	Total
	2019	Academic	2019
	£'000	2019	£'000
		£'000	£'000
CONSOLIDATED 2018/19			
Staff Costs:			
Salaries	1,053	7,255	8,308
External Staff Costs	374	232	606
Change in USS Pension Provision	908	-	908
National Insurance	75	526	601
Pension Costs	144	413	557
	<u>2,554</u>	<u>8,426</u>	<u>10,980</u>

	Academic	Non -	Total
	2020	Academic	2020
	£'000	2020	£'000
		£'000	£'000
COLLEGE 2019/20			
Staff Costs:			
Emoluments	1,105	4,578	5,683
External Staff Costs	467	76	543
Change in USS Pension Provision	(534)	-	(534)
Social Security Costs	80	387	467
Other Pension Costs	221	305	526
	<u>1,339</u>	<u>5,346</u>	<u>6,685</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

8 STAFF COSTS (CONT)

COLLEGE 2018/19	Academic 2019	Non - Academic 2019	Total 2019
	£'000	£'000	£'000
Staff Costs:			
Emoluments	1,053	4,219	5,272
External Staff Costs	374	232	606
Change in USS Pension Provision	908	-	908
Social Security Costs	75	354	429
Other Pension Costs	144	317	461
	<u><u>2,554</u></u>	<u><u>5,122</u></u>	<u><u>7,676</u></u>

Average Staff Numbers 2019/20

	2020 Consolidated Average Number of Staff	2020 College Average Number of Fellows	2020 College Fellows Full-Time Equivalent	2020 College Average Number of Staff	2020 College Staff Full- Time Equivalent
Academic	127	127	26	-	-
Non-Academic - College	331	8	7	212	150
	<u><u>458</u></u>	<u><u>135</u></u>	<u><u>33</u></u>	<u><u>212</u></u>	<u><u>150</u></u>

Average Staff Numbers 2018/19

	2019 Consolidated Average Number of Staff	2019 College Average Number of Fellows	2019 College Fellows Full-Time Equivalent	2019 College Average Number of Staff	2019 College Staff Full- Time Equivalent
Academic	129	129	24	-	-
Non-Academic	308	8	7	206	152
	<u><u>437</u></u>	<u><u>137</u></u>	<u><u>31</u></u>	<u><u>206</u></u>	<u><u>152</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

8 STAFF COSTS (CONT)

The number of officers and employees who received emoluments in the following ranges was:

	Consolidated 2020	College 2020	Consolidated 2019	College 2019
£100,000 - £109,999	1	1	1	1
£110,000 - £119,999	1	1	1	1
£120,000 - £129,999	-	-	1	-
£240,000 - £250,000	1	-	-	-

Remuneration includes salary, employers national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable, or provided, gross of any salary sacrifice arrangements. This is a change in disclosure requirements as only the salary was disclosed in last year's accounts. An employee of a subsidiary company received a one-off payment in 2019/20, leading to a significant increase in remuneration during the year.

During the year remuneration paid to Trustees in their capacity as Key Management Personnel of the College was:

	Total 2020 £'000	Total 2019 £'000
Aggregate Remuneration	375	311

The key management personnel are the Master, the Vice-Master, Bursar, the Senior Tutor and the Senior Postgraduate Tutor. They have authority and responsibility for planning, directing and controlling the activities of the College. The aggregated remuneration paid to key management personnel consists of salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

9 FIXED ASSETS

a Tangible Assets - Consolidated

	College Site Flats & Buildings £'000	College Land £'000	College Hostels & Houses £'000	Fixtures Fittings Equipment £'000	Møller Centre £'000	Total £'000
COST/VALUATION						
At 1 July 2019	87,351	2,823	7,651	7,244	21,623	126,692
Additions	1,670	-	155	643	-	2,468
Disposals	-	-	-	(996)	-	(996)
Consolidation Adjustment	-	-	-	-	-	-
Cost at 30 June 2020	<u>89,021</u>	<u>2,823</u>	<u>7,806</u>	<u>6,891</u>	<u>21,623</u>	<u>128,164</u>
DEPRECIATION						
At 1 July 2019	18,399	-	1,958	4,968	5,443	30,768
Charge for the Year	1,471	-	130	512	438	2,551
Eliminated on Disposal	-	-	-	(996)	-	(996)
Depreciation at 30 June 2020	<u>19,870</u>	<u>-</u>	<u>2,088</u>	<u>4,484</u>	<u>5,881</u>	<u>32,323</u>
NET BOOK VALUE						
At 30 June 2020	<u><u>69,151</u></u>	<u><u>2,823</u></u>	<u><u>5,718</u></u>	<u><u>2,407</u></u>	<u><u>15,742</u></u>	<u><u>95,841</u></u>
At 30 June 2019	<u><u>68,952</u></u>	<u><u>2,823</u></u>	<u><u>5,693</u></u>	<u><u>2,276</u></u>	<u><u>16,180</u></u>	<u><u>95,924</u></u>

The insured value of freehold land and buildings as at 30 June 2020 was £118m(2019: £115m).

The consolidated cost of freehold buildings consists of the costs incurred by the College less the surplus recorded in the accounts of Churchill Residences II Limited, a subsidiary undertaking, and eliminated on consolidation.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

9a Tangible Assets - College

	College Site Flats & Buildings £'000	College Land £'000	College Hostels & Houses £'000	Fixtures Fittings Equipment £'000	Møller Centre £'000	Total £'000
COST/VALUATION						
At 1 July 2019	87,351	2,823	7,651	2,789	11,105	111,719
Additions	2,004	-	155	544	-	2,703
Disposals	-	-	-	(41)	-	(41)
Cost at 30 June 2020	<u>89,355</u>	<u>2,823</u>	<u>7,806</u>	<u>3,292</u>	<u>11,105</u>	<u>114,381</u>
DEPRECIATION						
At 1 July 2019	18,399	-	1,958	1,797	3,146	25,300
Charge for the Year	1,526	-	130	298	185	2,139
Eliminated on Disposal	-	-	-	(41)	-	(41)
Depreciation at 30 June 2020	<u>19,925</u>	<u>-</u>	<u>2,088</u>	<u>2,054</u>	<u>3,331</u>	<u>27,398</u>
NET BOOK VALUE						
At 30 June 2020	<u>69,430</u>	<u>2,823</u>	<u>5,718</u>	<u>1,238</u>	<u>7,774</u>	<u>86,983</u>
At 30 June 2019	<u>68,952</u>	<u>2,823</u>	<u>5,693</u>	<u>992</u>	<u>7,959</u>	<u>86,419</u>

9b Heritage Assets

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

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 1999 have been capitalised. However, as none have been acquired since this date the value of capitalised heritage assets is £Nil (2019: £Nil).

10 INVESTMENT ASSETS

	Consolidated 2020 £'000	College 2020 £'000	Consolidated 2019 £'000	College 2019 £'000
Balance at 1 July 2019	108,833	115,833	102,046	109,046
Additions	5,528	5,528	12,384	12,384
Disposals	(6,904)	(6,904)	(12,624)	(12,624)
(Loss)/Gain on Investment Valuation	(3,130)	(3,130)	6,092	6,092
Increase in Cash Balances at Fund Managers	635	635	935	935
Balance as at 30 June 2020	<u>104,962</u>	<u>111,962</u>	<u>108,833</u>	<u>115,833</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

10 INVESTMENT ASSETS (CONT)	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Represented by:				
Property	9,165	9,165	9,841	9,841
Quoted Securities - Equities	93,253	93,253	97,279	97,279
Investment in Subsidiary Undertakings	-	7,000	-	7,000
Cash Held for Reinvestment	2,544	2,544	1,713	1,713
	<u>104,962</u>	<u>111,962</u>	<u>108,833</u>	<u>115,833</u>
Historic Cost	<u>79,945</u>	<u>79,945</u>	<u>80,441</u>	<u>80,441</u>

Included within the year end valuation is a property fund with a valuation of £7,727k. At the year end date this valuation was subject to a material uncertainty related to COVID-19 as determined by the Charities Property Fund however the value of the property fund subsequent to the year end at 30 September 2020 was £7,656k and did not include a material uncertainty related to COVID-19.

11 STOCKS	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Fellows Wine Cellar	619	619	606	606
Other Stocks	64	32	53	30
	<u>683</u>	<u>651</u>	<u>659</u>	<u>636</u>

12 TRADE AND OTHER RECEIVABLES	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Trade Debtors	437	85	1,150	222
Members of the College	211	211	988	988
Amounts due from Subsidiary Undertakings	-	1,218	-	1,516
Prepayments and Accrued Income	283	44	174	34
Other Receivables	589	589	468	468
	<u>1,520</u>	<u>2,147</u>	<u>2,780</u>	<u>3,228</u>

13 CASH AND CASH EQUIVALENTS	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Bank Deposits	4,301	4,301	2,700	2,700
Current Accounts and in Hand	2,853	-	2,529	32
	<u>7,154</u>	<u>4,301</u>	<u>5,229</u>	<u>2,732</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Trade Creditors	769	656	1,134	641
Members of the College	1,029	1,029	1,072	1,072
Amounts due to Subsidiary Companies	-	55	-	2
University Fees	75	75	69	69
Contribution to Colleges Fund	39	39	40	40
Social Security and other Taxation payable	327	294	457	352
Accruals and Deferred Income	2,883	1,195	2,738	1,573
	5,122	3,343	5,510	3,749

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	Consolidated	College	Consolidated	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Accruals and Deferred Income	390	390	304	304
College Bonds	24,000	24,000	24,000	24,000
	24,390	24,390	24,304	24,304

During 2013/14 the College issued a long term bond of £11m. Tranche 1 is for £6,360k and interest is charged at 4.40%. Tranche 2 is for £4,640k and interest is charged at 4.45%. £3,533k is due for repayment in October 2043, £4,640k is due for repayment in January 2044 and the remaining £2,827k is to be repaid in October 2053.

The College issued a second bond in 2017/18 for £13m. Interest is charged at 2.42% and the bond is due to be repaid in October 2057.

16 PENSION PROVISIONS

Pension Provision 2019/20	USS	CCFPS	Total
	2020	2020	2020
	£'000	£'000	£'000
Balance as at 1 July 2019	1,443	888	2,331
Movement in the year:			
Recognised in Income and Expenditure	(527)	-	(527)
Contributions paid by the College	(30)	(17)	(47)
Finance cost	23	38	61
Actuarial (gain)/loss recognised in Statement of Comprehensive Income and Expenditure	-	360	360
Balance as at 30 June 2020	909	1,269	2,178

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

16 PENSION PROVISIONS (CONT)

	USS	CCFPS	Total
Pension Provision 2018/19	2019	2019	2019
	£'000	£'000	£'000
Balance as at 1 July 2018	534	785	1,319
Movement in the year:			
Recognised in Income and Expenditure	929	-	929
Contributions paid by the College	(32)	(17)	(49)
Finance cost	12	91	103
Actuarial (gain)/loss recognised in Statement of Comprehensive Income and Expenditure	-	29	29
Balance as at 30 June 2019	<u><u>1,443</u></u>	<u><u>888</u></u>	<u><u>2,331</u></u>

17 ENDOWMENT RESERVE

Restricted net assets relating to endowments are as follows:

CONSOLIDATED/COLLEGE 2019/20

	Restricted	Unrestricted	Total
Permanent	Permanent	Permanent	2020
	£'000	£'000	£'000
Balance as at 1 July 2019	17,956	17,570	35,526
New Endowments Received	<u>5</u>	<u>-</u>	<u>5</u>
	5	17,570	35,531
Increase in Market Value of Investments	<u>(851)</u>	<u>(834)</u>	<u>(1,685)</u>
	(851)	(834)	(1,685)
Balance as at 30 June 2020	<u><u>17,110</u></u>	<u><u>16,736</u></u>	<u><u>33,847</u></u>

Analysis by Type of Purpose

	Restricted	Unrestricted	Total
Permanent	Permanent	Permanent	2020
	£'000	£'000	£'000
Archives	9,464	-	9,464
Bursary	397	-	397
Endowment	76	-	76
Fellowship	479	-	479
JRF	2,466	-	2,466
Library	273	-	273
Other	5	-	5
Prize	45	-	45
Studentship/Scholarship	3,803	-	3,803
Travel Funds	102	-	102
Corporate Capital	-	16,736	16,736
	<u><u>17,110</u></u>	<u><u>16,736</u></u>	<u><u>33,846</u></u>

Analysis by Asset

Investments	17,110	16,736	33,846
	<u><u>17,110</u></u>	<u><u>16,736</u></u>	<u><u>33,846</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

17 ENDOWMENT RESERVE (CONT)

Restricted net assets relating to endowments are as follows:

CONSOLIDATED/COLLEGE 2018/19	Restricted Permanent £'000	Unrestricted Permanent £'000	Total 2019 £'000
Balance as at 1 July 2018	17,318	16,955	34,273
New Endowments Received	9	-	9
Capital withdrawn	-	(2,004)	(2,004)
	<u>9</u>	<u>(2,004)</u>	<u>(1,995)</u>
Increase in Market Value of Investments	629	615	1,244
Plus: Capital withdrawn to Income	-	2,004	2,004
	<u>629</u>	<u>2,619</u>	<u>3,248</u>
Balance as at 30 June 2019	<u>17,956</u>	<u>17,570</u>	<u>35,526</u>

Analysis by Type of Purpose

	Restricted Permanent £'000	Unrestricted Permanent £'000	Total 2019 £'000
Archives	9,936	-	9,936
Bursary	411	-	411
Endowment	80	-	80
Fellowship	503	-	503
JRF	2,589	-	2,589
Library	286	-	286
Other	5	-	5
Prize	47	-	47
Studentship/Scholarship	3,992	-	3,992
Travel Funds	107	-	107
Corporate Capital	-	17,570	17,570
	<u>17,956</u>	<u>17,570</u>	<u>35,526</u>

Analysis by Asset

Investments	17,956	17,570	35,526
	<u>17,956</u>	<u>17,570</u>	<u>35,526</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

18 RESTRICTED RESERVES

Reserves with restrictions are as follows:

CONSOLIDATED/COLLEGE 2019/20	Capital	Permanent	Restricted	Total
	Grants Unspent	Unspent & Other Restricted Income	Expendable Endowment	2020
	£'000	£'000	£'000	£'000
Balance as at 1 July 2019				
Capital	2	-	7,085	7,087
Accumulated Income	-	7,004	-	7,004
	<u>2</u>	<u>7,004</u>	<u>7,085</u>	<u>14,091</u>
New Grants	-	-	213	213
New Donations	673	554	588	1,815
Endowment Return Transferred	-	669	435	1,104
Expenditure	-	(137)	(1,290)	(1,427)
Increase in Market Value of Investments	-	(375)	(178)	(553)
Balance as at 30 June 2020	<u>675</u>	<u>7,715</u>	<u>6,853</u>	<u>15,243</u>
Balance as at 30 June 2020				
Capital	675	-	6,853	7,528
Accumulated Income	-	7,715	-	7,715
CONSOLIDATED/COLLEGE	<u>675</u>	<u>7,715</u>	<u>6,853</u>	<u>15,243</u>

Analysis by Type of Purpose	Capital	Permanent	Restricted	Total
	Grants Unspent	Unspent & Other Restricted Income	Expendable Endowment	2020
	£'000	£'000	£'000	£'000
Archives	-	1,213	401	1,614
Building	675	33	-	708
Bursary	-	2,294	2,156	4,450
Development Office	-	137	196	333
Endowment	-	30	201	231
Fellowship	-	884	1,357	2,241
JRF	-	920	114	1,034
Library	-	60	8	68
Other	-	271	1,904	2,175
Prize	-	66	109	175
Research Funds	-	51	28	79
Studentship/Scholarship	-	1,727	352	2,079
Travel Funds	-	29	27	56
	<u>675</u>	<u>7,715</u>	<u>6,853</u>	<u>15,243</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

18 RESTRICTED RESERVES (CONT)

Reserves with restrictions are as follows:

CONSOLIDATED/COLLEGE 2018/19	Capital Grants Unspent £'000	Permanent Unspent & Other Restricted Income £'000	Restricted Expendable Endowment £'000	Total 2019 £'000
Balance as at 1 July 2018				
Capital	1,299	-	6,337	7,636
Accumulated Income	-	5,372	-	5,372
	<u>1,299</u>	<u>5,372</u>	<u>6,337</u>	<u>13,008</u>
New Grants	-	-	206	206
New Donations	502	1,026	977	2,505
Endowment Return Transferred	-	624	358	982
Expenditure	-	(310)	(929)	(1,239)
Capital Grants Utilised	(1,799)	-	-	(1,799)
Increase in Market Value of Investments	-	293	135	428
Balance as at 30 June 2019	<u><u>2</u></u>	<u><u>7,005</u></u>	<u><u>7,084</u></u>	<u><u>14,091</u></u>
Balance as at 30 June 2019				
Capital	2	-	7,084	7,086
Accumulated Income	-	7,005	-	7,005
CONSOLIDATED/COLLEGE	<u><u>2</u></u>	<u><u>7,005</u></u>	<u><u>7,084</u></u>	<u><u>14,091</u></u>

Analysis by Type of Purpose	Capital Grants Unspent £'000	Unspent & Other £'000	Expendable Endowment £'000	Total 2019 £'000
Archives	-	1,172	388	1,560
Building	2	33	-	35
Bursary	-	1,848	2,195	4,043
Development Office	-	137	206	343
Endowment	-	29	205	234
Fellowship	-	950	1,402	2,352
JRF	-	832	119	951
Library	-	55	8	63
Other	-	65	2,059	2,124
Prize	-	74	98	172
Research Funds	-	30	30	60
Studentship/Scholarship	-	1,756	346	2,102
Travel Funds	-	24	28	52
	<u><u>2</u></u>	<u><u>7,005</u></u>	<u><u>7,084</u></u>	<u><u>14,091</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

19 MEMORANDUM OF 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 1 July 2019	62,007	57,988
Unapplied Total Return for the Year (see note 3b)	(5,390)	4,019
Unapplied Total Return at 30 June 2020	<u><u>56,617</u></u>	<u><u>62,007</u></u>

20 RECONCILIATION OF CONSOLIDATED SURPLUS FOR THE YEAR TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2020	2019
	£'000	£'000
(Deficit)/Surplus for the Year	(2,450)	7,311
Adjustment for Non-cash Items		
Depreciation	2,551	2,528
Gain/(Loss) on Endowments, Donations and Investment Property	3,130	(6,092)
(Decrease) in Stocks	(24)	(69)
Increase in Debtors	1,260	273
(Decrease)/Increase in Creditors	(302)	789
Pension Costs less Contributions Payable	(513)	983
Adjustment for Investing or Financing Activities		
Investment Income	(1,867)	(1,726)
Interest Payable	803	803
Net Cash Inflow from Operating Activities	<u><u>2,588</u></u>	<u><u>4,800</u></u>

21 CASH FLOWS FROM INVESTING ACTIVITIES

	2020	2019
	£'000	£'000
Payments Made to Acquire Non-current Assets	(2,468)	(4,850)
Purchase of Investment Assets	(5,528)	(13,319)
Sale of Investment Assets	6,269	12,624
Investment Income	1,867	1,726
Total Cash Outflow from Investing Activities	<u><u>140</u></u>	<u><u>(3,819)</u></u>

22 CASH FLOWS FROM FINANCING ACTIVITIES

	2020	2019
	£'000	£'000
Interest Payable and Charges	(803)	(803)
Total Cash Outflow from Financing Activities	<u><u>(803)</u></u>	<u><u>(803)</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

23 ANALYSIS OF CASH AND CASH EQUIVALENTS

	At Beginning of Year £'000	Cash Flows £'000	At End of Year £'000
Cash at Bank and in Hand	5,229	1,925	7,154
Net Funds	<u>5,229</u>	<u>1,925</u>	<u>7,154</u>

24 CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT

	At 1 July 2019 £'000	Cash Flows £'000	At 30 June 2020 £'000
Cash and Cash Equivalents	5,229	1,925	7,154
Borrowings			
Amounts falling due after one year			
College Bonds	(24,000)	-	(24,000)
Total Net Debt	<u>(18,771)</u>	<u>1,925</u>	<u>(16,846)</u>

25 CAPITAL COMMITMENTS

	2020 £'000	2019 £'000
CONSOLIDATED/COLLEGE		
Authorised and Contracted	<u>Nil</u>	<u>659</u>

26 LEASE OBLIGATIONS

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

	2020 £'000	2019 £'000
CONSOLIDATED/COLLEGE		
Other		
Expiring within one year	9	-
Expiring between two and five years	<u>30</u>	<u>-</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

27 FINANCIAL INSTRUMENTS

CONSOLIDATED	2020 £'000	2019 £'000
Financial Assets		
<i>Financial assets at fair value through Statement of Comprehensive Income</i>		
Listed Equity Investments (note 10)	93,253	97,279
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and Cash Equivalents (notes 10,13)	9,698	6,942
Trade Debtors	437	1,150
Other Debtors	1,083	1,630
Financial Liabilities		
<i>Financial liabilities measured at amortised cost</i>		
College Bond	24,000	24,000
Trade Creditors	769	1,134
Other Creditors	4,743	4,680

28 PENSION SCHEMES

The College's employees belong to two principal pension schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS).

Universities Superannuation Scheme

The College participates in Universities Superannuation Scheme. 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 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) with related expenses being recognised through the profit and loss account.

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 relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Trustees 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 recovery plan in existence at the date of approving these financial statements.

The total cost charged to Income and Expenditure in respect of USS is -£130k (2019: £1,251k). Amounts outstanding at the year end and included within creditors are £909k (2019: £1,443k) see note 16. In addition, £54k was included within trade creditors (2019: £52k).

28 PENSION SCHEMES (CONT)

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete. Since the College cannot identify its share of 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 the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

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

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

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

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2019
Assumptions re Salary Growth Rate	2.70%	2.00%
Discount rate	0.73%	1.58%

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

28 PENSION SCHEMES (CONT)

Cambridge Colleges Federated Pension Scheme

The College also operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme. This College section closed for all accrual on 31 March 2007 when all active members were made deferred.

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

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

	30/06/20 % pa	30/06/19 % pa
Discount rate	1.45%	2.25%
Retail Price Index (RPI) assumption	3.10%	3.40%
Consumer Price Index (CPI)	2.20%	2.40%
Pension Increases (RPI max 5% pa)	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% pa, 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% pa, 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 (2019: 21.8 years)
- Female age 65 now has a life expectancy of 24.2 years (2019: 24.0 years)
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (2019: 23.1 years)
- Female age 45 now and retiring in 20 years has a life expectancy of 25.6 years (2019: 25.5 years)

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2020 are as follows:

	2020 £'000	2019 £'000
Present value of scheme liabilities	(10,145)	(9,502)
Market value of scheme assets	8,877	8,614
Deficit in the Scheme	<u>(1,268)</u>	<u>(888)</u>

The following amounts have been recognised within the income and expenditure account:

	2020 £'000	2019 £'000
Administrative expenses	17	17
Interest on net defined benefit liability	20	22
Loss on plan changes	-	53
	<u>37</u>	<u>92</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

28 PENSION SCHEMES (CONT)

Changes in the present value of the scheme liabilities are as follows:	2020	2019
	£'000	£'000
Present value of scheme liabilities at beginning of period	9,502	9,001
Interest on plan liabilities	209	237
Actuarial (losses)/gains	828	661
Benefits paid	(394)	(450)
Loss on plan changes	-	53
Present value of scheme liabilities at end of period	<u>10,145</u>	<u>9,502</u>

Changes in the fair value scheme assets are as follows:	2020	2019
	£'000	£'000
Market value of scheme assets at beginning of period	8,614	8,217
Return on assets, less interest included in income and expenditure	474	642
Administrative expenses	(23)	(28)
Contributions by employer	17	17
Interest on plan assets	189	216
Benefits and expenses paid	(394)	(450)
Market value of plan assets at end of period	<u>8,877</u>	<u>8,614</u>

Actual return on plan assets	<u>663</u>	<u>858</u>
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The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2020	2019
Equities	49%	57%
Bonds and Cash	41%	34%
Property	10%	9%
	<u>100%</u>	<u>100%</u>

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ended 30 June 2020 is as follows:

	2020	2019
	£'000	£'000
Return on assets less interest included in Statement of Comprehensive Income & Expendit	474	642
Expected less actual plan expenses	(6)	(10)
Experience gains and losses arising on plan liabilities	35	32
Changes in assumptions underlying the present value of plan liabilities	(863)	(693)
Remeasurement of net defined benefit liability recognised in OCI	<u>(360)</u>	<u>(29)</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

28 PENSION SCHEMES (CONT)

Movement in surplus/(deficit) during the years are as follows:	2020	2019
	£'000	£'000
Net defined benefit liability at beginning of year	(888)	(784)
Contributions paid by the College	17	17
Recognised in Statement of Comprehensive Income & Expenditure	(37)	(92)
Actuarial gain	(360)	(29)
Net defined benefit liability at end of year	<u>(1,268)</u>	<u>(888)</u>

29 RELATED PARTY TRANSACTIONS

Owing to the nature of the College's operations and the composition of the College Council (or equivalent), it is inevitable that transactions will take place with organisations in which a member of the College Council 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 salaries paid to Trustees (see note 8) in the year are summarised in the table below:

		2020	2019
		Number	Number
£	£		
0	10,000	9	8
10,001	20,000	4	3
20,001	30,000	2	3
30,001	40,000	2	1
40,001	50,000	1	1
50,001	60,000	0	0
60,001	70,000	0	0
70,001	80,000	0	0
80,001	90,000	1	1
90,001	100,000	1	1
		<u>20</u>	<u>18</u>

The total Trustee salaries were £443k (2019: £393k).

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2020

29 RELATED PARTY TRANSACTIONS (CONT)

The Trustees were also paid other taxable benefits (including associated employer National Insurance and employer contributions to pensions) which totalled £110k for the year (2019: £83k).

The College has a number of 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.

30 GROUP STRUCTURE

The College has 3 fully owned subsidiaries:

The Møller Institute Ltd	- Residential and Day Conferences
Churchill Conferences Ltd	- Residential and Day Conferences
Churchill Residences II Ltd	- Residential Construction

The activities of the Møller Institute Ltd, Churchill Conferences and Churchill Residences II Ltd have been consolidated with those of the College.

	2020	2019
	£'000	£'000
Turnover		
The Møller Institute Ltd	6,920	7,376
Churchill Conferences Ltd	966	938
Churchill Residences II Ltd	119	3,706
Net Assets		
The Møller Institute Ltd	9,567	9,806
Churchill Conferences Ltd	4	7
Churchill Residences II Ltd	1	1

31 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 closed on 20 March 2020 and had to cancel its conferences and events and the majority of students vacated their College accommodation. 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 forced to return home and accommodation fees were not charged. 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 College Council and plans adjusted accordingly. Since the year end the value of quoted investments, property and cash held in the investment portfolio has decreased from £111,962k at 30 June 2020 to £110,070k at 31 October 2020. This represents a 1.7% decrease in the value of the investment portfolio since the year end which has not been adjusted in these financial statements.