

**CHURCHILL COLLEGE IN THE
UNIVERSITY OF CAMBRIDGE**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Charity Registration Number: 1137476

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
INDEX TO THE ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Contents	Page
Reference and Administrative Details	2
Operating and Financial Review	3 - 12
Responsibilities of the College Council	13
Independent Auditors' Report	14 - 16
Statement of Principal Accounting Policies	17 - 23
Consolidated Statement of Comprehensive Income and Expenditure	24
College Statement of Comprehensive Income and Expenditure	25
Consolidated Statement of Changes in Reserves	26
College Statement of Changes in Reserves	27
Consolidated Balance Sheet	28
Consolidated Cash Flow Statement	29
Notes to Financial Statements	30 - 51

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30 JUNE 2021

Legal Name	Churchill College in the University of Cambridge
Address	Churchill College, Storey's Way, Cambridge, CB3 0DS
Charity Registration Number	1137476
VAT Registration Number	GB 732 155 751

Trustees

The Trustees of the College are the members of the College Council. The Trustees during 2020/21 were:

Master	Prof Dame Athene Donald (Chair)
Vice-Master	Prof A Webber
Senior Tutor	Mr R Partington (to 01/08/21), Dr R Monson (from 01/08/21)
Bursar	Mrs T M James
Senior Postgraduate Tutor	Dr E DeMarrais
MCR President	Ms J Ijaz (to 31/01/21), Mr S Turner (from 01/02/21)
MCR Council Member	Ms A Harper (to 31/01/21), Mr S Heath (from 01/02/21)
JCR President	Ms H Saint (to 30/06/21), Miss A Rees (from 01/07/21)
JCR Member	Mr D O Toole (to 30/06/21), Miss T Kilburn (from 01/07/21)
Staff Members	Mrs S Cook (to 01/01/21), Ms E Davis, Mrs R Cresswell (from 01/01/21),
Fellows	Dr M Holmes Dr Jardine-Wright Prof M Kramer Dr M Linterman Mr B Phipps Dr A Reid Dr S Savory Dr J Toner

Senior Officers

Master	Prof Dame Athene Donald
Vice-Master	Prof A Webber
Senior Tutor	Mr R Partington (to 01/08/21), Dr R Monson (from 01/08/21)
Bursar	Mrs T M James
Senior Postgraduate Tutor	Dr E DeMarrais

Principal Advisers

Auditors	Bankers
Price Bailey LLP	Lloyds Bank
Tennyson House	3 Sidney Street
Cambridge Business Park	Cambridge
Cambridge, CB3 0WZ	CB2 3HG

Investment Fund and Property Managers

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

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, CB2 1PH	Cambridge, CB5 8EP	Cambridge, CB24 9AD

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW

FOR THE YEAR ENDED 30 JUNE 2021

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 879 (845 in 2019/20) 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 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 7 research fellows in the College for all or part of the academic year 2020/21.
- a scheme to provide a collegiate base for 10 post-doctoral By-Fellows each year, for a three-year duration. There were 36 post-doctoral By-Fellows in 2020/21.
- 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 2021

- 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 £972k in grants, bursaries and studentships and a further £35k through prizes and scholarships;
- the College's own resources, a total subsidy of over £1.3 million (£1.7 million in 2019/20) 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 pandemic had a severe impact on the College's operations, the service it could offer to students and Fellows within Churchill as well as the delivery of teaching within the University and College. In addition, lockdown restrictions and uncertainty meant that the College was unable to host any commercial activities during 2020/21.

However, student applications and admissions remained strong and student numbers were slightly higher than last year. If alternative accommodation was available, students were not permitted to live in College accommodation during Lent Term 2021 and some students did not return for Easter Term 2021.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

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 effect on the College. The main issue in 2020/21 was the loss of commercial income during Long Vacation 2020 due to the lockdown, resulting in virtually no commercial income in 2020/21. There was also a significant loss of student rental and catering income when the College was closed due to lockdown, particularly in Lent Term 2021. However, costs were contained well and the College was able to benefit from the Government's job retention scheme, which finished on 30 September 2021. The overall financial result for the year was satisfactory in light of the circumstances. The value of the College's investment portfolio performed very well during the year, recovering the losses seen at the end of June 2020.

The principal effects and challenges of the pandemic during the year 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 Lent Term and the wholesale cancellation of the conference events for 2020/21
- 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

Achievements and Performance

Tripos examinations were classified only for a subset of third and for fourth year students. Examinations were completed on-line, mainly via 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 2021

The College again attracted high numbers of undergraduate applications, with its recruitment efforts focussed on the state sector. It was not possible to hold open-days in College due to the pandemic but other activities were successfully held on-line. The acceptance level from state education students continued to remain high:

	2021	2020	2019	2018
Applications	83.2%	85.1%	81.6%	83.3%
Offers	76.5%	76.5%	71.4%	76.6%
Accepted	75.4%	76.2%	62.2%	76.5%

Archives Centre

The year saw considerable disruption due to Covid-19, with the Centre closed to researchers between 4 January and 27 April 2021 in accordance with national guidelines (though a remote enquiry and copying service was maintained by the Archives Centre team throughout this period). Progress was made in the cataloguing of the Churchill Additional and Headlam-Morley papers and in the box listing of a new accession of Baroness Trumpington's photograph albums. Preservation packaging took place on the Duncan-Sandys, Saunders, Marples and Karsh collections, while more interventive conservation was performed on material in the Peter Jay, Headlam-Morley and Cadogan collections. The Centre participated in the national 'Unlocking Our Sound Heritage' project which led to a large number of audio resources being digitised, catalogued and a selection made available online through a prototype sound library on the Centre's website. 17 volumes of the diaries of the late Mary Soames, formerly Mary Churchill, were transcribed and edited and will be published as the book 'Mary Churchill's War' in September 2021.

In addition the Centre produced online exhibitions relating to the papers of Davidson Nicol, Sir Robert Edwards, Rosalind Franklin, Peggy Jay, Lord Marples and the architecture of Churchill College, and loaned a Margaret Thatcher handbag to the exhibition 'Bags: Inside Out' at the V & A. There were also a number of online events highlighting the range and contents of the collections, notably: 'A Veritable Volcano: The Life and Legacy of Admiral 'Jacky' Fisher' (20 Oct); 'Hitler's Cosmopolitan Bastard: Count Richard Coudenhove-Kalergi and his vision of Europe' (18 Mar); 'Ways of Working: The Archive of Professor Sir Robert Edwards (IVF Pioneer)' (29 Mar); 'Paths of Fire: The gun and the world it made' with author Andrew Nahum (30 Jun).

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 surplus of £19.2m for the year, compared with a deficit of £2.3 in 2019/20. The SOCIE shows all movements in net assets from one year to the next and therefore includes 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 £1.3m for 2020/21, compared with a deficit of £131k in 2019/20. The following table shows how the management accounts reconcile to the SOCIE

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

	2020/21	2019/20
	£'000	£'000
(Loss) per Management accounts	(1,250)	(131)
FRS102 Accruals/Provisions (sabbaticals, unpaid holiday, fixed-term contracts)	90	(172)
USS Pension scheme deficit recovery adjustment	91	534
Actuarial adjustment re CCFPS pension scheme	1,283	(360)
Long term donations/investment income	1,681	3,118
Investment (losses)/gains	20,281	(3,130)
Investment in I&E drawn from investment gains	(2,931)	(2,190)
Surplus/(Loss) per SOCIE	<u>19,245</u>	<u>(2,331)</u>

The most significant variation between 2020/21 and 2019/20 is the valuation of the College's investments. The value increased by over £20m in 2020/21 compared with a loss of £3m in 2019/20 compared with a gain of £6m in 2018/19.

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 a "refund" of over £500k in 2019/20 and a further "refund" of £90k in 2020/21. However, the 2020 valuation has now been completed and this shows an additional charge of between £1,655k and £3,017k. However, this will be reflected in the 2021/22 financial statements. This is noted as a non-adjusting post-balance sheet event in note 31.

The College's management accounts show a large deficit this year which reflects the lack of commercial activity during the year, no donation from the Møller Institute and a significant reduction in student accommodation and catering income. 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 for much of the financial year. The losses were also mitigated by an unusually high level of staff departures and a recruitment freeze which meant the many posts were vacant during the year and long vacation 2021.

b) Academic Fees and Charges

These are primarily the tuition fees paid by or on behalf of students and they increased in total by 5.2% compared with 2019/20. In spite of the pandemic, student numbers remained at the expected level, comparable with prior years. 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 £1.8m, a significant reduction compared with 2019/20. There were no gift aided donations paid to the College from its wholly owned subsidiaries in 2020/21, compared with £684k in 2019/20.

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 20.8% compared with -1.0% the previous year. This reflects the strong world economy and investment valuations experienced in 2020/21, in spite of the Covid 19 pandemic. The return is slightly below the College's benchmark return for the year of 21.4%. £0.9m new funds were invested in the Amalgamated Investment Fund during the year, made up of new donations and unspent income held in restricted funds.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

The College drew down a total of £4.20m in accordance with the agreed formula for smoothing total return from year to year compared with the drawdown of £3.98m the previous year. The drawdown per unit was 3.49% of the value at 30 June 2021 compared with 3.91% per unit as at 30 June 2020. The value of a unit in the AIF increased from £17.91 at 30 June 2020 to £20.91 as at 30 June 2021

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.

However, there was no commercial activity during 2020/21 due to the lockdown restrictions. Once out of lockdown, clients were reluctant to book conferences due to the uncertainty concerning travel arrangements and possible future restrictions. Many of the College's commercial clients are repeat customers and they have postponed their events to 2021/22 rather than cancelling them.

f) Maintenance of Buildings

The College continued to take advantage of having a site that was largely empty during the summer of 2020 and Lent Term 2021 to carry out 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 remained high in 2020/21 at £1.0m compared with just over £1.2million, in 2019/20. The College spent £1.7 million on capital projects during 2020/21.

Major projects undertaken in 2020/21 included:

- refurbishments of 70 Storey's Way and Whittinghame Lodge
- buttery refurbishment (structure and fixtures, furnishings currently underway)
- major roof repairs/replacement including the dining room and library
- fire road replacement
- storage room provision in boiler room
- squash court refurbishment and creation of dance studio

Much of the work was carried out by the College's in-house maintenance team.

g) Staff Costs and Pensions

Personnel costs as a whole (including related costs such as training, health and safety management, meals, recruitment) fell by 13.4%. This was due to an unusually high number of staff vacancies, very low provision of staff and fellows meals during the year and no requirements for casual or agency staff as there was no commercial activity during the year. There were no cost of living pay increases for either Fellows or staff and the discretionary increment scheme was suspended for the year. However, annual increment increases were awarded to those staff who were eligible.

The College continued to make use of the Government's coronavirus job retention scheme which ran throughout the year, until 30 September 2021. Most staff were furloughed for part of the year. A bonus has been included in the accounts to be paid to those staff who were not furloughed for extensive periods and who demonstrated exceptional commitment.

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 £18k on staff training during the year, including access to a wide range of on-line training available for all staff to use.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

Employer's contributions in the USS pension increased from 19.5% to 20.4% on 1 October 2020. A modest further increase to 21.4 % took effect on 1 October 2021. These increases are lower than had been expected whilst consultations are being held to decide on the future level of benefits and contributions. 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, with a further refund in 2020/21 of £91k. Further estimates of the College's share of the deficit were carried out after the year end and these can be seen in note 31.

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 Colleges 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 £137m though about £80m 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 2021

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 Governing Body, 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. Great care has been taken to provide a safe environment for students, fellows and staff who live and work in College. The pandemic has prevented the hosting of commercial activities and there is a risk that this very important income stream does not return to previous levels. However, the College is able to offer hybrid events and bookings and interest for events in 2021/22 are looking very positive.

Other risks and uncertainties that are currently being experienced include disruption and shortages of supplies of certain foods and fuel and to staffing pressures in hospitality. The price of gas has soared since the year end, though the College has relatively low exposure to this as the majority of its supply is on a fixed price basis.

Plans for the Future

The main focus for 2021/22 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 widespread availability, uptake and effectiveness of the Covid vaccines have enabled the Government to remove virtually all restrictions. However, the situation is still very uncertain especially as we enter the winter season with an increasing number of daily UK cases. The College and University continue to apply restrictions that govern mask-wearing and social distancing and has continued with weekly asymptomatic PCR level testing for all students.

A staffing restructure is being carried out in 2021/22, following the departure of the Senior Tutor and Domestic Bursar during the summer. A small number of posts are at risk of redundancy, but the proposal represents a modest increased investment in additional posts and salaries and will provide additional support for governance, HR, student wellbeing and finance as well as providing opportunities for advancement for existing staff.

The major building projects to be progressed in 2020/21 are the completion of the refurbishment of the buttery and the major refurbishment of 72 Storey's Way. The IT Transformation Project is continuing and it is expected that the transfer onto Sharepoint will be completed at the start of 2022. In addition, the College's website is being redesigned and this should also be completed at the start of 2022.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

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 2021 are set out on page 2.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

OPERATING AND FINANCIAL REVIEW (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

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 2021 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.



Tamsin James (Dec 16, 2021, 9:28am)

Mrs T M James
Bursar

Date: 30 November 2021

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

RESPONSIBILITIES OF THE COLLEGE COUNCIL

FOR THE YEAR ENDED 30 JUNE 2021

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.



Tamsin James (Dec 16, 2021, 9:28am)

Mrs T M James
Bursar

Date: 30 November 2021

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE COLLEGE COUNCIL OF CHURCHILL COLLEGE

FOR THE YEAR ENDED 30 JUNE 2021

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and College's affairs as at 30 June 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.
- .

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and 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

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

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

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

Other information

The other information comprises the information included in the report of the College Council, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE COLLEGE COUNCIL OF CHURCHILL COLLEGE

FOR THE YEAR ENDED 30 JUNE 2021

rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:
- the information given in the financial statements is inconsistent in any material respect with the report of the College Council; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 responsibilities statement set out on page 13, College Council (the trustees) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Council is responsible for assessing the group's and 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 group or 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the College this included data protection, health and safety, employment law and financial reporting.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE COLLEGE COUNCIL OF CHURCHILL COLLEGE

FOR THE YEAR ENDED 30 JUNE 2021

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

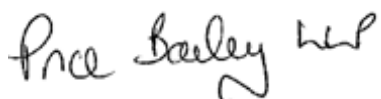
- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.
- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.
- We reviewed minutes of College Council meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the trustees.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the College's trustees, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Price Bailey LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 22 December 2021

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2021

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 2021

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 2021

h. Cambridge Bursary Scheme

In 2020/21, 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 £166k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	£193k
Expenditure	£359k

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 2021

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 2021

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 2021

Taxation

The College is a registered charity (number 1137476) 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 2021

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 2021

	2021	2020
	Unrestricted £'000	Unrestricted £'000
	Restricted £'000	Restricted £'000
	Endowment £'000	Endowment £'000
	Total £'000	Total £'000
CONSOLIDATED INCOME		
Academic Fees and Charges	4,073	3,845
Residence, Catering and Conferences	5,186	13,102
Endowment Return Transferred	3,038	2,877
Other Investment Income	2	76
Total Income before Donations and Endowments	12,299	19,900
Donations	1,122	1,599
New Endowments	-	-
Other Capital Donations for Assets	-	-
Total Income	13,421	21,499
	2,687	3,131
	(2,926)	(2,184)
	13,182	22,446
EXPENDITURE		
Education	4,826	5,178
Residence, Catering and Conferences	10,095	14,222
Investment Management Costs	9	71
Other Expenditure	821	830
Contribution Under Statute G,II	27	39
Total Expenditure	15,778	20,340
	1,382	1,426
	(2,926)	(2,184)
	(3,978)	680
(Deficit)/Surplus before other Gains and Losses	(2,357)	1,159
Gain/(Loss) on Investments	9,792	(3,081)
Surplus/(Deficit) for the Year	7,435	(1,922)
	3,207	5,661
	1,305	(2,926)
	16,303	1,705
Other Comprehensive Income		
Actuarial Gain/(Loss) in Respect of Pension S 16	1,282	(360)
Total Comprehensive Income for the Year	8,717	(2,282)
	3,207	5,661
	17,585	(2,810)
	1,152	(1,680)
	(2,450)	(2,450)
	504	(3,130)
	(1,680)	(2,450)
	1,791	1,867
	(2,189)	19,027
	19,027	19,027

INCOME

1 Academic Fees and Charges

2 Residence, Catering and Conferences

3 Endowment Return Transferred

3 Other Investment Income

4 Education

5 Residence, Catering and Conferences

3 Investment Management Costs

6 Other Expenditure

Contribution Under Statute G,II

16 Actuarial Gain/(Loss) in Respect of Pension S 16

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE
COLLEGE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2021

COLLEGE	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	2020 Total £'000
INCOME									
Academic Fees and Charges	1	4,073	154	-	4,227	3,845	213	-	4,058
Residence, Catering and Conferences	2	4,301	-	-	4,301	6,544	-	-	6,544
Endowment Return Transferred	3	3,038	1,160	(4,198)	-	2,877	1,103	(3,980)	-
Other Investment Income	3	2	-	1,268	1,270	57	-	1,791	1,848
Total Income before Donations and Endowments		11,414	1,314	(2,930)	9,798	13,323	1,316	(2,189)	12,450
Donations		409	817	-	1,226	2,153	554	-	2,707
New Endowments		-	556	4	560	-	588	5	593
Other Capital Donations for Assets		-	-	-	-	-	673	-	673
Total Income		11,823	2,687	(2,926)	11,584	15,476	3,131	(2,184)	16,423
EXPENDITURE									
Education	4	4,826	707	-	5,533	5,178	601	-	5,779
Residence, Catering and Conferences	5	6,837	-	-	6,837	7,720	7	-	7,727
Investment Management Costs	3	9	-	-	9	71	-	-	71
Other Expenditure	6	820	675	-	1,495	830	818	-	1,648
Contribution Under Statute G,II		27	-	-	27	39	-	-	39
Total Expenditure		12,519	1,382	-	13,901	13,838	1,426	-	15,264
(Deficit)/Surplus before other Gains and Losses		(696)	1,305	(2,926)	(2,317)	1,638	1,705	(2,184)	1,159
Gain/(Loss) on Investments		9,792	1,902	8,587	20,281	(3,081)	(553)	504	(3,130)
Surplus/(Deficit) for the Year		9,096	3,207	5,661	17,964	(1,443)	1,152	(1,680)	(1,971)
Other Comprehensive Income									
Actuarial Gain/(Loss) in Respect of Pension Schemes	16	1,282	-	-	1,282	(360)	-	-	(360)
Total Comprehensive Income for the Year		10,378	3,207	5,661	19,246	(1,803)	1,152	(1,680)	(2,331)

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2021

CONSOLIDATED	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Balance at 1 July 2020	129,381	15,243	33,846	178,470
Surplus from statement of comprehensive income and expenditure	7,435	3,207	5,661	16,303
Other Comprehensive Income	1,282	-	-	1,282
Balance at 30 June 2021	<u>138,098</u>	<u>18,450</u>	<u>39,507</u>	<u>196,055</u>

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>

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 2021

COLLEGE	Income and Expenditure Reserve			Total £'000
	Unrestricted £'000	Restricted £'000	Endowment £'000	
Balance at 1 July 2020	127,044	15,243	33,846	176,133
Surplus from statement of comprehensive income and expenditure	9,096	3,207	5,661	17,964
Other Comprehensive Income	1,282	-	-	1,282
Balance at 30 June 2021	137,422	18,450	39,507	195,379

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	127,044	15,243	33,846	176,133

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 2021

		Consolidated 2021 £'000	College 2021 £'000	Consolidated 2020 £'000	College 2020 £'000
	Note				
Non-Current Assets					
Fixed Assets Assets	9	94,891	86,467	95,841	86,983
Investments	10	123,220	130,220	104,962	111,962
		<u>218,111</u>	<u>216,687</u>	<u>200,803</u>	<u>198,945</u>
CURRENT ASSETS					
Stock	11	642	604	683	651
Trade and Other Receivables	12	1,882	2,079	1,520	2,147
Cash and cash equivalents	13	5,349	4,164	7,154	4,301
		<u>7,873</u>	<u>6,847</u>	<u>9,357</u>	<u>7,099</u>
Creditors: Amounts Falling Due Within One Year	14	(4,843)	(3,069)	(5,122)	(3,343)
NET CURRENT ASSETS		3,030	3,778	4,235	3,756
Creditors: Amounts Falling Due After One Year	15	(24,268)	(24,268)	(24,390)	(24,390)
NET ASSETS EXCLUDING PENSION PROVISION		196,873	196,197	180,648	178,311
Pension Provision	16	(818)	(818)	(2,178)	(2,178)
NET ASSETS INCLUDING PENSION PROVISION		<u>196,055</u>	<u>195,379</u>	<u>178,470</u>	<u>176,133</u>
RESTRICTED RESERVES					
Income and Expenditure Reserves					
Endowment Reserve	17	39,507	39,507	33,846	33,846
Restricted Reserve	18	18,450	18,450	15,243	15,243
		<u>57,957</u>	<u>57,957</u>	<u>49,089</u>	<u>49,089</u>
UNRESTRICTED RESERVES					
Income and Expenditure Reserve					
Unrestricted		138,098	137,422	129,381	127,044
		<u>196,055</u>	<u>195,379</u>	<u>178,470</u>	<u>176,133</u>

The financial statements were approved by College Council on 30 November 2021 and signed on its behalf by:



Dame Athene Donald (Dec 16, 2021,
09:41am)
Dame Athene Donald
Master



Tamsin James (Dec 16, 2021, 9:28am)
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 2021

CONSOLIDATED	Note	2021 £'000	2020 £'000
Net Cash (Outflow)/Inflow from Operating Activities	20	(2,605)	2,588
Cash Flows from Investing Activities	21	1,603	140
Cash Flows from Financing Activities	22	(803)	(803)
Increase/(Decrease) in Cash and Cash Equivalents in Year		(1,805)	1,925
Cash and Cash Equivalents at Beginning of Year		7,154	5,229
Cash and Cash Equivalents at End of Year		<u>5,349</u>	<u>7,154</u>

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 2021

1 ACADEMIC FEES AND CHARGES

2021 **2020**
£'000 £'000

College Fees:

Fee income received at the Publicly-funded Undergraduate rate	2,010	1,911
Fee income received at the Privately-funded Undergraduate rate	731	696
Fee income received at the Graduate rate	946	896

3,687	3,503
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Other Income	540	555
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4,227	4,058
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2 INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES

		Consolidated	College	Consolidated	College
		2021	2021	2020	2020
		£'000	£'000	£'000	£'000
Accommodation	College Members	3,779	4,077	3,620	4,011
	Conferences	1,027	-	3,438	917
	International Programmes	-	-	2,784	153
Catering	College Members	224	224	625	625
	Conferences	156	-	2,186	771
	International Programmes	-	-	449	67
		5,186	4,301	13,102	6,544

3 ENDOWMENT RETURN AND INVESTMENT INCOME

3a Analysis

2021 **2020**
£'000 £'000

Total Return Contribution (see note 3b)	4,198	3,980
Quoted Securities	-	23
Interest	2	34
Less: Excess of Total Return over Investment Income Received	(2,930)	(2,189)

1,270	1,848
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COLLEGE

1,270 **1,848**

Interest	-	19
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CONSOLIDATED

1,270	1,867
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CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

3b Summary of Total Return	2021	2020
	£'000	£'000
Income From:		
Land and Buildings	226	382
Quoted and Other Securities and Cash	1,042	1,409
	<u>1,268</u>	<u>1,791</u>
Gain/(Loss) on Endowment Assets		
Quoted and Other Securities	20,281	(3,130)
	<u>20,281</u>	<u>(3,130)</u>
Investment Management Costs (see note 3c)	(9)	(71)
Total Return for the Year	21,540	(1,410)
Total Return Transferred to Income and Expenditure Reserve (see note 3a)	(4,198)	(3,980)
Unapplied Total Return for Year Included within Statement of Comprehensive Income and Expenditure (see note 19)	<u>17,342</u>	<u>(5,390)</u>

3c Investment Management Costs

Quoted Securities	9	71
	<u>9</u>	<u>71</u>

4 EDUCATION EXPENDITURE

	College	College
	2021	2020
	£'000	£'000
Teaching	2,218	2,151
Tutorial	766	787
Admissions (Incl Access Grants)	1,084	1,209
Research	453	559
Scholarships and Awards	563	606
Other Educational Facilities	449	467
	<u>5,533</u>	<u>5,779</u>

5 ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE

		Consolidated	College	Consolidated	College
		2021	2021	2020	2020
		£'000	£'000	£'000	£'000
Accommodation	College Members	5,527	5,527	4,084	4,084
	Conferences	1,969	-	3,030	1,293
	International Programmes	-	-	1,663	216
Catering	College Members	1,310	1,310	1,557	1,557
	Conferences	1,289	-	3,677	531
	International Programmes	-	-	218	46
		<u>10,095</u>	<u>6,837</u>	<u>14,229</u>	<u>7,727</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

6 OTHER EXPENDITURE	2021	2020
	£'000	£'000
Archives Centre	502	545
Bond & Loan Interest/Charges	803	803
Other	190	300
COLLEGE AND CONSOLIDATED	<u>1,495</u>	<u>1,648</u>

7a ANALYSIS OF 2020/21 EXPENDITURE BY ACTIVITY

CONSOLIDATED	<u>Staff Costs (Note 8)</u> £'000	<u>Other Operating Expenses</u> £'000	<u>Depreciation</u> £'000	<u>Total</u> £'000
Education (Note 4)	3,095	1,982	456	5,533
Accommodation, Catering and Conferences (Note 5)	5,157	2,754	2,184	10,095
Other (Note 6)	541	954	-	1,495
	<u>8,793</u>	<u>5,690</u>	<u>2,640</u>	<u>17,123</u>
COLLEGE				
Education (Note 4)	3,095	1,982	456	5,533
Accommodation, Catering and Conferences (Note 5)	3,096	1,985	1,756	6,837
Other (Note 6)	541	954	-	1,495
	<u>6,732</u>	<u>4,921</u>	<u>2,212</u>	<u>13,865</u>

Expenditure includes fundraising costs of £360k. This expenditure includes the cost of the alumni office.

7b ANALYSIS OF 2019/20 EXPENDITURE BY ACTIVITY

CONSOLIDATED	<u>Staff Costs (Note 8)</u> £'000	<u>Other Operating Expenses</u> £'000	<u>Depreciation</u> £'000	<u>Total</u> £'000
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.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

7c Auditors Remuneration	2021	2020
	£'000	£'000
Other Operating Costs include:		
Audit Fees payable to College's External Auditors	16	16
Audit Fees payable to Subsidiaries' External Auditors	9	9
Other Fees payable to Subsidiaries' and College's External Auditors	5	-
	<u>30</u>	<u>25</u>

8 STAFF COSTS

	Academic	Non -	
	2021	Academic	Total
	£'000	2021	2021
CONSOLIDATED 2020/21	£'000	£'000	£'000
Staff Costs:			
Salaries	2,232	5,080	7,312
External Staff Costs	223	-	223
Change in USS Pension Provision	(91)	-	(91)
National Insurance	166	444	610
Pension Costs	316	423	739
	<u>2,846</u>	<u>5,947</u>	<u>8,793</u>

The 2020/21 consolidated staff costs include redundancy payments made to 13 employees totalling £31k.

	Academic	Non -	
	2020	Academic	Total
	£'000	2020	2020
CONSOLIDATED 2019/20	£'000	£'000	£'000
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 -	
	2021	Academic	Total
	£'000	2021	2021
COLLEGE 2020/21	£'000	£'000	£'000
Staff Costs:			
Emoluments	2,232	3,244	5,476
External Staff Costs	223	-	223
Change in USS Pension Provision	(91)	-	(91)
Social Security Costs	166	290	456
Other Pension Costs	316	352	668
	<u>2,846</u>	<u>3,886</u>	<u>6,732</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

8 STAFF COSTS (CONT)

	Academic 2020	Non - Academic 2020	Total 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>

Average Staff Numbers 2020/21	2021 Consolidated	2021 College	2021 College	2021 College	2021 College
	Average Number of Staff	Average Number of Fellows	Fellows Full- Time Equivalent	Average Number of Staff	Staff Full- Time Equivalent
Academic	123	123	25	-	-
Non-Academic	236	8	7	161	138
	<u>359</u>	<u>131</u>	<u>32</u>	<u>161</u>	<u>138</u>

Average Staff Numbers 2019/20	2020 Consolidated	2020 College	2020 College	2020 College	2020 College
	Average Number of Staff	Average Number of Fellows	Fellows Full- Time Equivalent	Average Number of Staff	Staff Full- Time Equivalent
Academic	127	127	26	-	-
Non-Academic - College	331	8	7	212	150
	<u>458</u>	<u>135</u>	<u>33</u>	<u>212</u>	<u>150</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

8 STAFF COSTS (CONT)

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

	Consolidated 2021	College 2021	Consolidated 2020	College 2020
£100,000 - £109,999	1	1	1	1
£110,000 - £119,999	1	1	1	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. 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 2021 £'000	Total 2020 £'000
Aggregate Remuneration	368	375

The key management personnel are the Master, the Vice-Master, Bursar, the Senior Tutor and the Tutor for Advanced Students. 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 2021

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 2020	89,021	2,823	7,806	6,891	21,623	128,164
Additions	861	-	589	246	-	1,696
Disposals	-	-	-	(357)	-	(357)
Transfers	(6)	-	-	-	-	(6)
Cost at 30 June 2021	<u>89,876</u>	<u>2,823</u>	<u>8,395</u>	<u>6,780</u>	<u>21,623</u>	<u>129,497</u>
DEPRECIATION						
At 1 July 2020	19,870	-	2,088	4,484	5,881	32,323
Provided for the year	1,543	-	138	466	493	2,640
Eliminated on Disposal	-	-	-	(357)	-	(357)
Depreciation at 30 June 2020	<u>21,413</u>	<u>-</u>	<u>2,226</u>	<u>4,593</u>	<u>6,374</u>	<u>34,606</u>
NET BOOK VALUE						
At 30 June 2021	<u>68,463</u>	<u>2,823</u>	<u>6,169</u>	<u>2,187</u>	<u>15,249</u>	<u>94,891</u>
At 30 June 2020	<u>69,151</u>	<u>2,823</u>	<u>5,718</u>	<u>2,407</u>	<u>15,742</u>	<u>95,841</u>

The insured value of freehold land and buildings as at 30 June 2021 was £122m (2020: £118m).

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 2021

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 2020	89,355	2,823	7,806	3,292	11,105	114,381
Additions	861	-	589	246	-	1,696
Disposals	-	-	-	(357)	-	(357)
Transfers	-	-	-	-	-	-
Cost at 30 June 2021	<u>90,216</u>	<u>2,823</u>	<u>8,395</u>	<u>3,181</u>	<u>11,105</u>	<u>115,720</u>
DEPRECIATION						
At 1 July 2020	19,925	-	2,088	2,054	3,331	27,398
Provided for the year	1,549	-	138	340	185	2,212
Eliminated on Disposal	-	-	-	(357)	-	(357)
Depreciation at 30 June 2020	<u>21,474</u>	<u>-</u>	<u>2,226</u>	<u>2,037</u>	<u>3,516</u>	<u>29,253</u>
NET BOOK VALUE						
At 30 June 2021	<u>68,742</u>	<u>2,823</u>	<u>6,169</u>	<u>1,144</u>	<u>7,589</u>	<u>86,467</u>
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>

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.

10 INVESTMENT ASSETS

	Consolidated 2021 £'000	College 2021 £'000	Consolidated 2020 £'000	College 2020 £'000
Balance at 1 July 2020	104,962	111,962	108,833	115,833
Additions	20,881	20,881	5,528	5,528
Disposals	(20,360)	(20,360)	(6,904)	(6,904)
Gain/(Loss) on Investment Valuation	20,281	20,281	(3,130)	(3,130)
Increase in Cash Balances at Fund Managers	(2,544)	(2,544)	635	635
Balance as at 30 June 2021	<u>123,220</u>	<u>130,220</u>	<u>104,962</u>	<u>111,962</u>
Historic Cost	<u>78,884</u>	<u>78,884</u>	<u>79,945</u>	<u>79,945</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

10 INVESTMENT ASSETS (CONT)	Consolidated 2021	College 2021	Consolidated 2020	College 2020
Represented by:	£'000	£'000	£'000	£'000
Property	-	-	9,165	9,165
Quoted Securities - Equities	123,220	123,220	93,253	93,253
Investment in Subsidiary Undertakings	-	7,000	-	7,000
Cash Held for Reinvestment	-	-	2,544	2,544
	<u>123,220</u>	<u>130,220</u>	<u>104,962</u>	<u>111,962</u>

11 STOCKS	Consolidated 2021	College 2021	Consolidated 2020	College 2020
	£'000	£'000	£'000	£'000
Fellows Wine Cellar	586	586	619	619
Other Stocks	56	18	64	32
	<u>642</u>	<u>604</u>	<u>683</u>	<u>651</u>

12 TRADE AND OTHER RECEIVABLES	Consolidated 2021	College 2021	Consolidated 2020	College 2020
	£'000	£'000	£'000	£'000
Trade Debtors	361	62	437	85
Members of the College	817	817	211	211
Amounts due from Subsidiary Undertakings	-	557	-	1,218
Prepayments and Accrued Income	104	43	283	44
Other	600	600	589	589
	<u>1,882</u>	<u>2,079</u>	<u>1,520</u>	<u>2,147</u>

13 CASH AND CASH EQUIVALENTS	Consolidated 2021	College 2021	Consolidated 2020	College 2020
	£'000	£'000	£'000	£'000
Bank Deposits	3,525	3,525	4,301	4,301
Current Accounts and in Hand	1,824	639	2,853	-
	<u>5,349</u>	<u>4,164</u>	<u>7,154</u>	<u>4,301</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	Consolidated	College	Consolidated	College
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Trade Creditors	399	298	769	656
Members of the College	1,077	1,077	1,029	1,029
Amounts due to Subsidiary Companies	-	-	-	55
University Fees	102	102	75	75
Contribution to Colleges Fund	27	27	39	39
Social Security and other Taxation payable	354	278	327	294
Other	2,884	1,287	2,883	1,195
	4,843	3,069	5,122	3,343

15 CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR	Consolidated	College	Consolidated	College
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Other Creditors	268	268	390	390
College Bonds	24,000	24,000	24,000	24,000
	24,268	24,268	24,390	24,390

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%.

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 2020/21	USS	CCFPS	Total
	2021	2021	2021
	£'000	£'000	£'000
Balance at 1 July 2020	909	1,269	2,178
Movement in the year:			
Recognised in Income and Expenditure	(58)	-	(58)
Contributions paid by the College	(39)	(21)	(60)
Finance cost	5	36	41
Actuarial (gain)/loss recognised in Statement of Comprehensive Income and Expenditure	-	(1,283)	(1,283)
Balance as at 30 June 2021	817	1	818

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

16 PENSION PROVISIONS (CONT)

	US\$	CCFPS	Total
Pension Provision 2019/20	2020	2020	2020
	£'000	£'000	£'000
Balance 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	<u><u>909</u></u>	<u><u>1,269</u></u>	<u><u>2,178</u></u>

17 ENDOWMENT RESERVE

Restricted net assets relating to endowments are as follows:

CONSOLIDATED/COLLEGE 2020/21	Restricted Permanent	Unrestricted Permanent	Total 2021
	£'000	£'000	£'000
Balance at 1 July 2020	17,110	16,736	33,846
New Endowments Received	4	-	4
Capital withdrawn	-	(2,930)	(2,930)
	<u>4</u>	<u>(2,930)</u>	<u>(2,926)</u>
Increase in Market Value of Investments	2,858	2,799	5,657
Plus: Capital withdrawn to Income	-	2,930	2,931
	<u>2,858</u>	<u>5,729</u>	<u>8,588</u>
Balance as at 30 June 2021	<u><u>19,972</u></u>	<u><u>19,535</u></u>	<u><u>39,507</u></u>

Analysis by Type of Purpose

	Restricted Permanent	Unrestricted Permanent	Total 2021
	£'000	£'000	£'000
Archives	11,047	-	11,047
Bursary	464	-	464
Endowment	88	-	88
Fellowship	559	-	559
JRF	2,878	-	2,878
Library	318	-	318
Other	6	-	6
Prize	53	-	53
Studentship/Scholarship	4,440	-	4,440
Travel Funds	119	-	119
Corporate Capital	-	19,535	19,535
	<u><u>19,972</u></u>	<u><u>19,535</u></u>	<u><u>39,507</u></u>

Analysis by Asset

Investments	19,972	19,535	39,507
	<u><u>19,972</u></u>	<u><u>19,535</u></u>	<u><u>39,507</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

17 ENDOWMENT RESERVE (CONT)

Restricted net assets relating to endowments are as follows:

CONSOLIDATED/COLLEGE 2019/20	Restricted Permanent £'000	Unrestricted Permanent £'000	Total 2020 £'000
Balance as at 1 July 2019	17,956	17,570	35,526
New Endowments Received	5	-	5
Capital withdrawn	-	(2,189)	(2,189)
	<u>5</u>	<u>(2,189)</u>	<u>(2,184)</u>
Increase in Market Value of Investments	(851)	(834)	(1,685)
Plus: Capital withdrawn to Income	-	2,189	2,189
	<u>(851)</u>	<u>1,355</u>	<u>504</u>
Balance as at 30 June 2020	<u>17,110</u>	<u>16,736</u>	<u>33,846</u>

Analysis by Type of Purpose

	Restricted Permanent £'000	Unrestricted Permanent £'000	Total 2020 £'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>17,110</u>	<u>16,736</u>	<u>33,846</u>

Analysis by Asset

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

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

18 RESTRICTED RESERVES

Reserves with restrictions are as follows:

	Capital Grants Unspent £'000	Permanent Unspent & Other Restricted Income £'000	Restricted Expendable Endowment £'000	Total 2021 £'000
CONSOLIDATED/COLLEGE 2020/21				
Balance at 1 July 2020				
Capital	675	-	6,853	7,528
Accumulated Income	-	7,715	-	7,715
	<u>675</u>	<u>7,715</u>	<u>6,853</u>	<u>15,243</u>
New Donations	-	817	556	1,373
Endowment Return Transferred		697	463	1,160
Expenditure	(8)	(650)	(570)	(1,228)
Increase in Market Value of Investments	-	1,299	603	1,902
Balance as at 30 June 2021	<u>667</u>	<u>9,878</u>	<u>7,905</u>	<u>18,450</u>
Balance as at 30 June 2021				
Capital	667	-	7,905	8,572
Accumulated Income	-	9,878	-	9,878
CONSOLIDATED/COLLEGE	<u>667</u>	<u>9,878</u>	<u>7,905</u>	<u>18,450</u>

Analysis by Type of Purpose	Capital Grants Unspent £'000	Permanent Unspent & Other Restricted Income £'000	Restricted Expendable Endowment £'000	Total 2021 £'000
Archives	-	1,438	464	1,902
Building	667	33	-	700
Bursary	-	3,132	2,542	5,674
Development Office	-	173	229	402
Endowment	-	37	239	276
Fellowship	-	1,051	1,576	2,627
JRF	-	1,110	134	1,244
Library	-	65	8	73
Other	-	618	2,140	2,758
Prize	-	76	132	208
Research Funds	-	55	33	88
Studentship/Scholarship	-	1,970	377	2,347
Travel Funds	-	120	31	151
	<u>667</u>	<u>9,878</u>	<u>7,905</u>	<u>18,450</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

18 RESTRICTED RESERVES (CONT)

Reserves with restrictions are as follows:

CONSOLIDATED/COLLEGE 2019/20	Capital Grants Unspent	Permanent Unspent & Other Restricted Income	Restricted Expendable Endowment	Total 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)
Decrease in Market Value of Investments	-	(375)	(178)	(553)
Balance as at 30 June 2020	<u><u>675</u></u>	<u><u>7,715</u></u>	<u><u>6,853</u></u>	<u><u>15,243</u></u>
Balance as at 30 June 2020				
Capital	675	-	6,853	7,528
Accumulated Income	-	7,715	-	7,715
CONSOLIDATED/COLLEGE	<u><u>675</u></u>	<u><u>7,715</u></u>	<u><u>6,853</u></u>	<u><u>15,243</u></u>

Analysis by Type of Purpose	Capital Grants Unspent	Permanent Unspent & Other Restricted Income	Restricted Expendable Endowment	Total 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><u>675</u></u>	<u><u>7,715</u></u>	<u><u>6,853</u></u>	<u><u>15,243</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

19 MEMORANDUM OF UNAPPLIED TOTAL RETURN

Included within reserves the following amounts represent the unapplied total return of the College:

	2021	2020
	£'000	£'000
Unapplied Total Return at 1 July 2020	56,617	62,007
Unapplied Total Return for the Year (see note 3b)	17,342	(5,390)
Unapplied Total Return at 30 June 2021	<u><u>73,959</u></u>	<u><u>56,617</u></u>

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

	2021	2020
	£'000	£'000
Surplus/(Deficit) for the Year	16,303	(2,450)
Adjustment for Non-cash Items		
Depreciation	2,640	2,551
(Gain)/Loss on Endowments, Donations and Investment Property	(20,281)	3,130
Increase/(Decrease) in Stocks	41	(24)
(Decrease)/Increase in Debtors	(362)	1,260
Increase in Creditors	(401)	(302)
(Decrease) in Provisions	(78)	(513)
Adjustment for Investing or Financing Activities		
Investment Income	(1,270)	(1,867)
Interest Payable	803	803
Net Cash Inflow from Operating Activities	<u><u>(2,605)</u></u>	<u><u>2,588</u></u>

21 CASH FLOWS FROM INVESTING ACTIVITIES

	2021	2020
	£'000	£'000
Payments to Acquire Non-current Assets	(1,690)	(2,468)
Purchase of Investment Assets	(20,881)	(5,528)
Sale of Investment Assets	22,904	6,269
Investment Income	1,270	1,867
Total Cash Inflow from Investing Activities	<u><u>1,603</u></u>	<u><u>140</u></u>

22 CASH FLOWS FROM FINANCING ACTIVITIES

	2021	2020
	£'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 2021

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	7,154	(1,805)	5,349
Net Funds	<u>7,154</u>	<u>(1,805)</u>	<u>5,349</u>

24 CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT

	At 1 July 2020 £'000	Cash Flows £'000	At 30 June 2021 £'000
Cash and Cash Equivalents	7,154	(1,805)	5,349
Borrowings:			
Amounts falling due after one year			
College Bonds	24,000	-	24,000
Total Net Debt	<u>(16,846)</u>	<u>(1,805)</u>	<u>(18,651)</u>

25 CAPITAL COMMITMENTS

	2021 £'000	2020 £'000
CONSOLIDATED/COLLEGE		
Authorised and Contracted	<u>722</u>	<u>Nil</u>

26 LEASE OBLIGATIONS

At 30 June 2021 the College had commitments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Other		
Expiring within one year	9	9
Expiring between two and five years	<u>21</u>	<u>30</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

27 FINANCIAL INSTRUMENTS

Financial Assets

Financial assets at fair value through Statement of Comprehensive Income

Listed Equity Investments (note 10)	123,220	93,253
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Financial assets that are debt instruments measured at amortised cost

Cash and Cash Equivalents (notes 10,13)	5,349	9,698
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Trade Debtors	361	437
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Other Debtors	1,521	1,083
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Financial Liabilities

Financial liabilities measured at amortised cost

College Bond	24,000	24,000
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Trade Creditors	399	769
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Other Creditors	4,712	4,743
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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 Colleges 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 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 directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and the College 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.

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

28 PENSION SCHEMES (CONT)

The total cost charged to the profit and loss account is £417k (2020: £404k).

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 female 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:

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

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

	2021	2020
Assumptions re Salary Growth Rate	3.00%	2.70%
Discount rate	0.89%	0.73%

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

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

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

	30/06/21	30/06/20
	% pa	% pa
Discount rate	1.80%	1.45%
Retail Price Index (RPI) assumption	3.40%	3.10%
Consumer Price Index (CPI)	2.60%	2.20%
Pension Increases (RPI max 5% pa)	3.30%	3.00%

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2020 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (2020: 21.9 years)
- Female age 65 now has a life expectancy of 24.3 years (2020: 24.2 years)
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (2020: 23.2 years)
- Female age 45 now and retiring in 20 years has a life expectancy of 25.7years (2020: 25.6 years)

Employee Benefit Obligations

The amounts recognised in the balance sheet as at 30 June 2021 are as follows:

	2021	2020
	£'000	£'000
Present value of scheme liabilities	(9,214)	(10,145)
Market value of scheme assets	9,213	8,877
Deficit in the Scheme	<u><u>(1)</u></u>	<u><u>(1,268)</u></u>

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

	2021	2020
	£'000	£'000
Administrative expenses	17	17
Interest on net defined benefit liability	19	20
Loss on plan changes	-	-
	<u><u>36</u></u>	<u><u>37</u></u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

28 PENSION SCHEMES (CONT)

Changes in the present value of the scheme liabilities are as follows:	2021	2020
	£'000	£'000
Present value of scheme liabilities at beginning of period	10,145	9,502
Interest on plan liabilities	145	209
Actuarial (losses)/gains	(721)	828
Benefits paid	(355)	(394)
Present value of scheme liabilities at end of period	<u>9,214</u>	<u>10,145</u>

Changes in the fair value scheme assets are as follows:	2021	2020
	£'000	£'000
Market value of scheme assets at beginning of period	8,877	8,614
Return on assets, less interest included in income and expenditure	567	474
Administrative expenses	(23)	(23)
Contributions by employer	21	17
Interest on plan assets	126	189
Benefits and expenses paid	(355)	(394)
Market value of plan assets at end of period	<u>9,213</u>	<u>8,877</u>

Actual return on plan assets	<u>693</u>	<u>663</u>
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The major categories of scheme assets as a percentage of total scheme assets are as follows:	2021	2020
Equities	48%	49%
Bonds and Cash	42%	41%
Property	10%	10%
	<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:

	2021	2020
	£'000	£'000
Return on assets less interest included in Comprehensive Income & Expenditure	567	474
Expected less actual plan expenses	(6)	(6)
Experience gains and losses arising on plan liabilities	507	35
Changes in assumptions underlying the present value of plan liabilities	214	(863)
Remeasurement of net defined benefit liability recognised in OCI	<u>1,282</u>	<u>(360)</u>

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

28 PENSION SCHEMES (CONT)

Movement in surplus/(deficit) during the years are as follows:	2021	2020
	£'000	£'000
Net defined benefit liability at beginning of year	(1,268)	(888)
Contributions paid by the College	21	17
Recognised in Comprehensive Income & Expenditure	(36)	(37)
Actuarial gain	1,282	(360)
Net defined benefit liability at end of year	<u>(1)</u>	<u>(1,268)</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:

		2021	2020
		Number	Number
£	£		
-	10	5	9
10	20	4	4
20	30	4	2
30	40	-	2
40	50	-	1
50	60	1	-
60	70	-	-
70	80	-	-
80	90	1	1
90	100	1	1
		<u>16</u>	<u>20</u>

The total Trustee salaries were £414k (2020: £443k).

CHURCHILL COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS (CONT)

FOR THE YEAR ENDED 30 JUNE 2021

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 £107k for the year (2020: £110k).

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.

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.

	2021	2020
	£'000	£'000
Turnover		
The Møller Institute Ltd	1,181	6,920
Churchill Conferences Ltd	2	966
Churchill Residences II Ltd	112	119
Net Assets		
The Møller Institute Ltd	7,930	9,588
Churchill Conferences Ltd	17	4
Churchill Residences II Ltd	-	1

31 POST BALANCE SHEET EVENTS

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £1,655k in the provision for the obligation to fund the deficit on the USS pension which would instead be £2,473k. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £3,017k in the provision for the obligation to fund the deficit on the USS pension which would instead be £3,834k.