

**Annual Report & Financial Statements**  
**Year Ended 30 June 2020**

GIRTON COLLEGE

Huntingdon Road

Cambridge

CB3 0JG

**Registered Charity No. 1137541**

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## Members of the Augmented Council

The members of the Augmented Council during the year 2019-20 were as follows:

Susan Jane Smith MA DPhil FBA	Andrew Irvine BSC PHD
Harriet Dorothy Allen MA PHD MSC	Liliana Janik MPHIL PHD
Matthew James Allen MA VETMB PHD	Henrik Latter BA PHD
Carolina C Alves BSC MSC PHD (from 1.10.20)	Arik Kershenbaum MA PHD
James Spencer Anderson MA (from 1.1.20)	Clive Lawson MA PHD
Anna Barford, MA PHD (to 30.09.19)	Ross Ian Lawther MA PHD
Crispin Henry William Barnes BSC PHD	Karen Lesley Lee MA
Charles John MacKinnon Bell MA PHD MB BCHIR	Alex Liu MA MESC DPhil
Jenny K Blackhurst MA	Deborah Lowther MA (to 31.12.19)
Edward John Briscoe BA MPHIL PHD	Santa-Phani Gopal Madabhushi PHD
Fiona Justine Cooke MA BM BCH MSC PHD	Simone Maghenzani BA MA PHD
Nik Cunniffe MA MSC MPHIL PHD	Hilary Frances Marlow BA MA PHD
Stuart Davis BA PHD	Kamiar Mohaddes BSC MPHIL PHD (to 31.12.19)
Amy Rosamund Donovan BA MPHIL MSC PHD	Stephanie Palmer SJD LLM
Judith Ann Drinkwater MA	Heidi Radke DRVETMED
Colm Durkan BA PHD	R James E Riley BA MA PHD
Deborah J Easlick BA	Angela Charlotte Roberts PHD
Martin William Ennis MA PHD	Thomas J Roulet MSC MPHIL PHD
Sebastian Falk BA PGCE PHD (to 31.12.19)	Jochen H Runde MPHIL PHD
Diana Fusco BPHYS MPHYS PHD	Evis Sala MD PHD
Christopher John Bristow Ford MA PHD	Stuart Ashley Scott MA PHD
Abigail Lesley Fowden MA PHD	Shona Wilson Stark LLB LLM PHD
Alexandra Mary Fulton BSC PHD	Sophia Marie Irmgard Shellard-von Weikersthal BSC PHD
Sinead Maria Garrigan Mattar BA DPHIL (to 1.12.19)	Hugh Richard Shercliff MA PHD
Benjamin John Griffin MA PHD	Alexander James William Thom BA MSC PHD (from 1.10.19)
Dennis Christian Grube BA LLB PHD (from 1.10.19)	Stelios Tofaris MA PHD
Maureen Jane Hackett BA MA	Helen Anne Van Noorden BA MPHIL PHD
Aaron Hornkohl BA MA PHD	James Wade BA MA PH
Katherine Hughes, BSC BVSC MRCVS PHD	Emma Jane Louise Weisblatt BA PHD
Morag Ann Hunter BA PHD	Claire Emma White BA PHD
	Per-Olof Helge Wikstrom BA PHD FBA
	Samantha Katherine Williams BA MSC PHD
	Neil Wright PHD

**College Advisors**

**Auditors**

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

**Bankers**

Barclays Bank plc  
9 – 11 Saint Andrews Street  
Cambridge CB2 3AA

**Investment Manager**

Partners Capital LLP  
5 Young Street  
London  
W8 5EH

**Solicitors**

Taylor Vinters  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

## Report of the Council

### Scope of the Financial Statements

- 1) The enclosed financial statements are the financial statements of Girton College for the year ended 30th June 2020. The activities of student societies have not been consolidated.

### Objectives and activities

#### *Aims and objectives*

- 2) The objects of the College are *the advancement of education, religion, learning and research and in particular the preparation of persons for taking examinations and proceeding to the degrees of the University of Cambridge.*
- 3) The College Council's four main strategic academic priorities are:
  - a) Widening participation;
  - b) Increasing the value added to the educational experience of students at Girton;
  - c) Supporting the all-round personal development of all members of the Girton community; and
  - d) Maintaining a world-class Fellowship.
- 4) Supporting these are a further three strategic priorities:
  - a) Developing the operational estate;
  - b) Achieving financial sustainability; and
  - c) Enhancing communications.
- 5) These seven strategic priorities are underpinned by a commitment to good governance.

### Significant activities

- 6) The College has two major streams of operating activity:

#### *Education*

- a) The College provides a research-infused learning environment for undergraduate and graduate students, early career researchers and established academics, supporting teaching, research, pastoral care, library and information services, social activities, sports, music and the arts, and all round personal development; and

#### *Residences, Catering and Conferences.*

- b) The College provides living accommodation and catering services for College members from two sites in Cambridge, the main College site on Huntingdon Road, close to Girton village, and Swirles Court on Pheasant Drive in the new urban district of Eddington. The College also carries on, as ancillary activities, a conference and events business, and a new commercial business, Girton Summer Programmes, providing summer schools for international students of University age.
- 7) The College is also responsible as trustee for the management of the permanent endowment capital of the 150 (2019: 149) restricted and unrestricted trust funds, which comprise its Amalgamated Trust Funds (ATF) scheme. These funds have been accumulated over the life of the College from the gifts of generous donors and benefactors and they enable the College to provide

financial support for individuals and a range of other purposes, which would not otherwise be possible.

- 8) The College actively solicits further donations to these funds to enhance the scope of this support.

#### *Funding*

- 9) The College's charitable activities are funded in part by the fees and charges paid by College members and other users, and in part by donations, bequests and the restricted and unrestricted income generated by the investment of permanent endowment capital and general reserves.

- 10) The College's endowment assets and investments are professionally managed by an outsourced investment office. Funds are invested in a diverse range of assets on a total return basis with a view to securing a consistent funding stream to support the College's activities in pursuit of its charitable objectives.

- 11) Students pay for tuition as follows:

*a) Undergraduates:*

- i) Undergraduates entitled to Student Support (typically Home/EU students) are charged at externally regulated rates and are funded by such grant or loan funding arrangements as are from time to time approved by the Government. Tuition fee income paid by these students is shared with the University; and
- ii) Overseas undergraduates and any Home/EU undergraduates not entitled to Student Support are charged at a rate determined by the College. University fees are charged in addition;

*b) Graduate students: the College receives a share of the overall fee income paid by graduate students in the University.*

- 12) Students are charged for their accommodation and meals at rates intended to cover the cost of provision, but not to make any surplus for the College.

- 13) The College maintains an active and well-resourced alumni relations and development office with a view to securing a growing number and value of philanthropic gifts to the College for its own charitable purposes, and to support individual members of the College in their pursuit of learning and research.

#### **Public benefit**

- 14) The Council have complied with their duty regarding public benefit, having regard to the Charity Commission's guidance.

- 15) Founded in 1869 by Emily Davies and Barbara Bodichon, Girton is distinctive as Britain's first residential institution for the higher education of women and has subsequently aspired to set the pace on matters of equality and inclusion. Girton was the first of the women's colleges in Oxbridge to admit men and is now open to anyone with a passion for learning and the ability and inclination to pursue it.

- 16) The College follows a rigorous and objective recruitment process, as part of the University of Cambridge, for selecting the best candidates for admission.
- 17) As a not-for-profit organisation, the College sets its charges for members only as high as is necessary to cover costs. Bursary and other financial support is offered to individuals, wherever possible, in an effort to ensure that no one is dissuaded from applying, taking up a place or completing their studies because of financial hardship.

**Strategies for achieving aims and objectives**

- 18) The College Council's goals in relation to its present strategic aims and objectives are as follows. The College is also committed by its statutes and strategic plan to good governance, key elements of which are profiled later in this document.

*Widening participation*

- 19) Substantially to enhance Girton's applicant base in order to attract an increasingly diverse body of well-qualified students from within and beyond the UK, as befits a large College in a world-class University;
- 20) To grow the pool of good quality first-choice applicants, enabling, for undergraduates, a reduced rate of de-selection, across all subjects;
- 21) To be outstandingly successful in widening participation, securing a broad spread of well-informed entrants from all income groups, ethnic backgrounds, and educational sectors, in almost all subject areas and for every level of degree, whilst maintaining a broadly 50:50 gender ratio.
- 22) For postgraduates, to increase the proportion of PhD students (relative to Masters) by about 10 per cent, while maintaining a 50:50 arts/science mix, to achieve a balanced, effectively functioning, MCR;
- 23) To continue to manage the admissions process fairly, effectively and transparently in light of targets set by Government, rules and agreements in the University, and the unique qualities of the College;
- 24) To admit excellent students with most to gain from Girton's educational ethos.

*Adding value*

- 25) To enable students to realize their full intellectual potential;
- 26) To maintain the provision of first-rate educational, library, archive and information resources, and adjust to changing technologies and demands in relation to these;
- 27) To safeguard and steward the human resource-base for Girton's educational offer;
- 28) To be among the top 10 Cambridge Colleges for value added to school examinations points-predicted degree outcomes by a Girton education;

- 29) To improve undergraduate results overall, and in particular to support Girton students to secure more 1st-class degrees, and fewer 2:2 and 3rd-class results;
- 30) To take measures to ensure that any gap in degree results based on gender and/or ethnic background is not amplified at Girton and to ensure that all systemic differences in educational experience and degree outcomes are monitored and addressed for Girton students;
- 31) To attend to the challenge of adding value for Girton's postgraduate community as student numbers grow and expectations rise.

*Supporting all-round personal development*

- 32) To support all-round personal development for all College members (employees and students alike);
- 33) To enhance and enlarge the 'transferable skills' offered to undergraduates, complementing Faculty-based initiatives;
- 34) To support music, sports and the arts, recognizing that these activities have an ambassadorial role for the College, as well providing educational value and life skills for students;
- 35) To maintain a living, learning and working environment conducive to all-round personal development, and in particular, one which builds self-confidence and protects wellbeing.

*Maintaining a world-class Fellowship*

- 36) To attract and maintain a Fellowship that is sufficiently large, diverse, motivated and incentivised to sustain the running of the College, the delivery of the curriculum, and the achievement of the wider educational goals (teaching, learning and research) to which Girton aspires.

*Developing the estate*

- 37) To realize the educational potential of the estate, maintaining a 'whole' College that is well integrated, open to all members, and greater than the sum of the diverse locational parts;
- 38) To steward responsibly and effectively the facilities, resources and assets comprising the integrated estate;
- 39) To make progress towards achieving carbon neutrality for the College as a whole;
- 40) To refresh and implement a rolling program of investment to maintain, renew and enhance the existing buildings on the Girton site;
- 41) To harness the potential of Ash Court, as a living and learning environment, which is integrated into the existing community, and is a resource for the College's residential conference and events business.



- 42) To formulate and implement a vision for the future of the estate, building on Girton's now-established position as a postgraduate (as well as undergraduate) College, and recognizing the needs of the growing postdoctoral community in the University.

*Achieving financial sustainability*

- 43) Place the College on a sustainable financial footing by increasing the size of the endowment sufficiently to enable a properly balanced budget;
- 44) Manage costs by improving the efficiency of the operational estate;
- 45) Raise income by developing a well-integrated, profitable and sustainable conference, events and summer programmes business that engages with the wider aims of the College.

*Enhancing communication*

- 46) To improve the effectiveness of internal communications and information management in order to:
- a) Ensure that Girton's vision, mission, values and strategic aims are agreed and understood by all of those involved in College life, and implemented by key stakeholders in an effective manner;
  - b) Improve the creation, ownership and advancement of initiatives important to the smooth running and future development of the College;
  - c) Enable full participation by stakeholders in the policies and practices of the College, ensuring that Fellows, staff and students know about, understand and take an interest in decisions that affect them.
- 47) To use an effective programme of external communications and information management to improve the visibility, and raise the positive profile, of the College in order, in particular, to:
- a) Widen awareness and participation, and boost first choice applications from students;
  - b) Promote the College to prospective Fellows and other employees;
  - c) Enhance the quality of alumni relations, raise funds for *A Great Campaign*, and celebrate Girton's role in the history of Higher Education;
  - d) Publicise the availability of high-quality catering, conference and events services to potential users, and grow the base of partner universities and other clients for Girton Summer Programmes.

**Criteria for success**

- 48) The Council and its committees monitor progress in achieving the College's strategic objectives against a wide range of quantitative and qualitative targets. The most important targets in relation to each of the seven strategic priorities are set out below.

*Widening participation*

- 49) The College works collaboratively with other institutions in the collegiate University, supporting Cambridge University's agreement with the Office for Students (previously the Office for Fair Access or OFFA). For 2019-20 the University's targets in relation to undergraduate admissions were:

- a) To admit UK resident students from UK state-sector schools and colleges so that they represent 69.1% of the total intake, by 2024-25;
- b) To admit UK resident students from Quintile 1 of the Participation Of Local Areas (POLAR4) classification so that they represent 7% of the total intake by 2024-25 and intake from POLAR4 Quintiles 1 and 2 of 16.6% by 2024-25;
- c) To admit UK resident students from the Indices of Multiple Deprivation (IMD) Quintiles 1 and 2 so that they represent 21.2% of the intake by 2024-25.

In relation to graduate admissions targets for numbers, balance (between MPhil and PhD) and internationalisation are kept under review.

*Increasing the value added to the educational experience of students at Girton*

50) For undergraduates, the College monitors Tripos examination results by subject, cohort and gender, and also charts the progress of each cohort in successive years of Tripos as a measure of value added. For postgraduate degrees, outcomes are monitored. For all students there is support for specialist subjects and for generic study skills, and the incentive of prizes for excellence.

*Supporting the all-round personal development of all members of the Girton community;*

51) All-round personal development refers to: activities geared to the acquisition of transferable skills (e.g. interpersonal and communications skills); activities that promote team work, alongside those which reward independent learning and personal initiative; and activities that broaden knowledge, enhance quality of life and nurture a sense of civic duty. In supporting all this, the College seeks to maintain a happy and vibrant community in which the achievements of its members in sports, music and the arts are celebrated and encouraged.

52) The Council monitors the award of instrumental and choral scholarships and exhibitions, sports and travel grants against need.

*Maintaining a world-class Fellowship;*

53) The College monitors the number of Official Fellowship and other teaching/student support posts against a notional quota based on student numbers.

54) The College seeks to maintain an academically distinguished Fellowship and celebrates the measurable as well as less tangible achievements of its members such as honours, promotions, research grants and publications.

*Developing the operational estate;*

55) The College aims to be able to house all of its undergraduates and a minimum of 50% of its postgraduate students on an ongoing basis. Accommodation statistics are reported to Council on a regular basis.

56) The College aims to provide a safe, comfortable and inspiring living and working environment. The Council monitors accident statistics, repair and maintenance response times and complaints on a regular basis.

*Achieving financial sustainability;*

- 57) The College aims to generate on average a small unrestricted surplus before depreciation and investment gains or losses over the time periods covered by successive five-year rolling budgets (the current budget being to 2024/25).
- 58) The College also aims to maintain a minimum of one year's unrestricted expenditure before depreciation as free reserves.
- 59) The College aims to be able to fund the ongoing development of its operational estate from a combination of free reserves, gifts and loans, without compromising the above aims.

*Enhancing communications.*

- 60) Regarding external communications, Google analytics are used to monitor the impact of the College websites (the main site and a temporary microsite set up in conjunction with a year of celebration of the 150<sup>th</sup> anniversary of the foundation of the College (Spring 2019 to Spring 2020)). The College's reach on social media - Twitter, Facebook and Instagram - is reported periodically to Council.
- 61) Regarding internal communications, use of the committee structure for face-to-face messaging, email for information dissemination, and the electronic information sharing platform Moodle for information sharing and exchange are kept under review.

**Grant-making**

- 62) The permanent capital of the restricted funds in ATF is set out in Note 15. of the accounts, analysed by category of purpose.
- 63) ATF funds enable the College to:
- a) Fund outreach activity in schools;
  - b) Participate in the Cambridge Bursary Scheme for Home/EU undergraduate bursaries;
  - c) Award Scholarships and Prizes to academically successful students;
  - d) Give other bursaries and hardship grants to students in financial need;
  - e) Provide travel grants and sports awards to encourage extra-curricular activity;
  - f) Award Music, Organ and Choral Scholarships and Exhibitions to talented students;
  - g) Appoint fully funded Research Fellows in Arts and Sciences;
  - h) Host Visiting Fellows in Arts and Sciences and a Visiting Fellow Commoner in the arts or professions;
  - i) Employ teaching fellows, including a core of six College-based career teaching officer posts;
  - j) Employ a Chaplain and a Director of Music.

**Volunteers**

- 64) Girton has a small number of volunteers working with the Development Office, the Archivist and the Curator.
- 65) The Development Office volunteers are drawn mainly from Girton's alumni, to assist in its fundraising, publications, student networking and alumni events with alumni attendees, speakers, writers and related activities. Volunteer assistance includes: six Campaign Board members; one

Development Strategy Committee member; five Girton Hong Kong Committee members; twelve UK regional representatives and decade representatives related to the Roll of Alumni Committee; four GASA (Girton Alumni Sports Association) steering group members; and overseas volunteers in the USA and Asia Pacific region. Estimated hours volunteered by these groups total around 100 person hours per year for formal meetings and events, whether virtual or in-person.

- 66) The Lawrence Room is the College's small museum collection of art and antiquities, collected and donated to the College, and used primarily as a resource for teaching and research. A small number of volunteers, comprising mainly Life Fellows of the College and retired staff, steward the collection for two hours on Thursday afternoons, under the direction of the Curator, enabling public access.
- 67) Three volunteers work in the College Archive for an average of 2 mornings a week between them, carrying out tasks such as indexing minutes, box-listing and expanding the information on catalogue records. With the onset of the COVID-19 pandemic these volunteers were stood down at the end of March and will recommence their work once the situation has normalised.

### **Achievements and performance 2019-20**

- 68) During the financial year 2019-20, the College continued to pursue its statutory and charitable objectives of education, religion, learning and research to the full extent of its resources.
- 69) From March 2020, the global COVID-19 pandemic and resulting lockdown had a significant impact on all aspects of College life: educational, operational and financial. The effects of this are set out in further detail under the relevant headings of this report.

### **COVID-19 pandemic**

- 70) After the exuberance of the 150<sup>th</sup> anniversary celebrations, including Foundation Day itself, the outbreak of the pandemic has been the defining feature of the second half of the year under review, and remains so at the time of writing. The College had to close at the end of March, for the first time in term in its history, and request that students who could, should return home. Fellows had to put in the extra work required to teach and support students online. Large numbers of staff were put on furlough leave under the Coronavirus Job Retention Scheme, including the entirety of the Catering team. Remaining staff worked, where they could, substantially from home.
- 71) The College did, however, have a number of resident students who could not return home or had no alternative place to live and study and for whom the College maintained basic residential services within government restrictions and guidelines.
- 72) The College benefited from very significant intercollegiate and University collaboration in working out how to close down services safely and then understand how to complete the much more substantial challenge of planning to reopen the colleges and University on a 'COVID-secure' basis for the new academic year. During the spring and summer, regulations changed frequently, each time requiring plans to be revised.

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

- a) Shutting down residential accommodation and making buildings safe, including management of student belongings which had been left behind at the start of the vacation or had to be left when the students were asked to leave quickly;
- b) Ensuring clear communication to the various groups within the College affected by changes in the way that the college was run;
- c) Transferring teaching and tutorial support online for Easter Term;
- d) Providing study materials wholly online and moving to a hybrid model after year end;
- e) Temporarily closing the entire catering function;
- f) Managing the financial consequences of student rental and catering voids in Easter Term;
- g) Managing the cancellation of Girton Summer Programmes' in-person activities and all summer conference business;
- h) Cancelling all in-person Alumni events and rapidly building an enhanced programme of online engagement;
- i) Securing adequate supplies for College departments including those required for infection control;
- j) Ensuring that Council was informed and available to make quick decisions on often limited information;
- k) Closely monitoring the monthly cashflows, including drawing down from reserves as appropriate;
- l) Supporting the well-being of students and Fellows remotely, including building a series of online events which maintained the essentials of the College calendar as well as a sense of community within the Fellowship. These included the College Feast and the traditional summer garden party;
- m) Contributing to remote examination and assessment;
- n) Participation in the Government's Coronavirus Job Retention Scheme, including putting a large number of staff on furlough, ensuring this was reported correctly, and ensuring that staff were supported throughout;
- o) Making staff comfortable with the arrangements for working in COVID-secure environments in the College as the restrictions were lifted;
- p) Graduation *in absentia*, though with a first rate online celebration for all students in all subjects, including a specially commissioned fanfare and bespoke filming to enable them and their families to hear their degrees and names read out, and to enjoy valedictory messages from some very high profile alumni and the Visitor;
- q) Rescheduling the College's maintenance programme so as to ensure that cash was maintained in the short term, without creating the potential for future additional costs by deferring what was urgent;
- r) Closing the Library and Archive, and the Lawrence Room, for Easter Term;

- s) Conducting satisfactory interviews for key recruitment both within the fellowship and staff groups. This included a new Chaplain, a new HR Manager and two new College Teaching Officers (in Law and Economics);
  - t) Reimagining provision for student societies and College music, including the Choir, whose activities had to move online, requiring a steep learning curve in recording and editing remote performances, but with some memorable and lasting legacies including the May Week Concert online.
- 74) Subsequent to the year-end the issues revolved around:
- a) planning accommodation and services generally for the new year including assessing and splitting the College into households;
  - b) assessing and preparing rooms for socially distanced supervisions;
  - c) managing admissions in the light of significant turmoil as to the assessment of A-level grades;
  - d) plans for infection control/detection with the return of students including the provision of symptomatic and asymptomatic testing;
  - e) the very considerable task for academic staff of recording lectures for online delivery, preparing to incorporate supervisions into a blended learning programme, and being ready for appropriately socially distanced teaching in person and online;
  - f) preparing and managing an effective communications approach to maximise compliance with the many complex and changing regulations as to behaviour, testing and isolation;
  - g) planning and supporting a programme of activities and support such that a sense of community could be re-established among students, Fellows and staff in the context of the significant constraints imposed on College by the impact of the new regulations.
- 75) As at 1st October 2019 the College had 50 Official Fellows, 2 Senior Research Fellows, 8 Research Fellows, 10 Professorial Fellows, 4 Supernumerary Fellows, 37 Life Fellows; 15 Bye-Fellows, 1 Visiting Fellow and 2 Visiting Fellow Commoners; 70 Honorary Fellows and 13 Barbara Bodichon Fellows; 526 undergraduate and 290 postgraduates and research students.
- 76) Of these, 2 Official Fellows, 3 Research Fellows, the Visiting Fellow and 6 Visiting Fellow Commoners, 460 undergraduates, and 149 postgraduate and research students were living in College-owned accommodation until March 2020.
- 77) For each undergraduate, the College provided a Director of Studies and small-group teaching (known as supervision) to complement the teaching provided by the University. The College employed 44 College Lecturers in all the main subjects offered by the University to undergraduates, of whom 36 were also employed by the University or other institutions, 8 were employed solely by the College or under a share arrangement with another College, and 1 post was shared with the University.
- 78) The COVID-19 pandemic changed the way students were assessed this year and only students in the final year of their undergraduate course received a classified result (139 students). 76 postgraduate students graduated with Masters level degrees, 6 with an MRes and 26 research students were awarded their PhDs. 3 LL.M, 11 M.A.S.T, and 4 M.B.A/M.Fin degrees were also awarded.

- 79) The College provided a Tutor for each of its students, as well as access to other forms of pastoral care, including a chaplain, nurses and counsellors. The College also made grants to its official student bodies, the Junior Combination Room (JCR) and the Middle Combination Room (MCR), to enable them to provide social support to their members and to other College clubs and societies. The College provided a cafeteria service which was available to all of its members throughout most of the year.
- 80) In its capacity as trustee of permanent endowment funds totalling £54m as at 30 June 2020, the College *inter alia* contributed to the cost of the 156 Cambridge Bursaries awarded to Girton students. The maximum award was £3,500 per annum.
- 81) The College also hosted 215 conferences and events and expanded its Girton Summer Programmes, with nine short courses held during July and August 2019.

### **Progress against objectives**

*Continuing to widen the pool of suitably qualified applicants for places to study*

- 82) The College's Widening Participation (WP) work is driven by the desire to increase the proportion of the student body from historically under-represented groups. In order to do this, WP work must be broad, to encourage aspiration to Higher Education generally, as well as specifically encouraging appropriate applications to the University and Girton College. As well as individual schemes, the College works collaboratively with other institutions in the collegiate University, supporting its agreement with the Office for Students (previously Office for Fair Access or OFFA). Girton's 2019 entry cohort of Home students met or exceeded the university average for OFS targets by several percentage points: 74% were from maintained sector schools (University average 68.9%); 15.4% were from Low Participation Neighbourhoods (average 13%); 24.4% from the OAC identified disadvantaged groups (average 10.4%). The College also did well in terms of the new Index of Multiple Deprivation (IMD) target with 16.3% of the intake with this flag compared to the University figure of 14.2%.
- 83) The College's work to encourage aspiration and applications to Higher Education, including Girton College and the University of Cambridge, has been impacted by the COVID-19 pandemic during the 2019-20 year. During the first half of the year the two Schools Liaison Officers continued with their well-established work patterns. This included the Pathways to Higher Education scheme, now in its third year, working with 12 selected secondary schools in Girton's link areas, inspiring and supporting their pupils from Year 7 through to university application. The Admissions Team also continued working with schools through talks and visits for pupils from Year 7 upwards, whilst sustaining the long-running Camden scheme, alongside a new initiative with a consortium of schools in Solihull and the surrounding area. Unfortunately, following the withdrawal of the Sixth Form College acting as its hub, the Stourbridge HE+ scheme was discontinued, but we remain committed to working with the consortium's constituent schools on an individual basis.

- 84) The second half of the year following the lockdown period saw an end to all in-person events. Following the resignation of one of the Schools Liaison Officers, our remaining SLO took on the task of repurposing much of the material used in WP engagement work, adapting it for a digital world of remote, online delivery. One consequence of this has been the opportunity to reach larger combined audiences through webinars and pre-recorded talks, in an environment in which College, schools and young people have greater confidence in remote communication. This broader reach has also led to more possibilities for collaboration with SLO counterparts in other Cambridge colleges and also Oxford counterparts.
- 85) Across the year, excluding Open Days, individual visits and Taster Days (which are not solely WP events), the total number of recorded interactions with young people for the year was 4,512 of which 107 occurred online. Additionally, members of the Admissions Team have participated in events led by the Cambridge Admissions Office, both in-person and online.
- 86) Evaluation work has continued to improve, with participant evaluation measured in two ways. The first is through 'before and after' event surveys that allow us to get an immediate measure of improved knowledge about HE/Oxbridge, differing attitudes towards HE/Oxbridge and, where appropriate, increased confidence in making an application to Oxbridge. The second form of evaluation is the continued use of HEAT the national-level database that allows institutions to track the university applications and outcomes of individuals, providing the colleges with useful statistics on the effect of their interventions. The nature of the HEAT database is such that it does not yet, but should soon, provide us with information about the final university destinations of the young people with whom we interacted in previous years.

*Increasing the value added to the educational experience of students at Girton*

- 87) Overall, the percentage of students achieving Firsts or 2:1s increased in 2019-20 by 16.3%, a welcome improvement which moves the College up 5 places on the standard college ranking. There is no gender difference in this performance. This is therefore an improvement in performance overall.
- 88) Girton saw a small drop in total students achieving first class (4.5%) but a big increase in male students and a large drop in female students achieving first class, with a 12% gender difference compared to 9% in the university. The continued underperformance of female students in achieving first class honours remains a concern. Further analysis will be carried out to address whether this year's data is a specific cohort effect. It is against a trend of slight improvement in women's performance since 2013.
- 89) The current presentation of data in the information hub does not allow simple cohort tracking and further analysis is needed to allow this to be presented to the College's Education Board.
- 90) The College continues to invest in new educational resources. In 2017-18 three new study rooms were opened adjacent to the library, two bookable and equipped with screens, to allow group study and discussion and one for quiet study. This strengthens provision for



both undergraduate and graduate students on the main site. The College also provided more dedicated teaching rooms for group teaching.

- 91) Two new University Teaching Officers (UTOs) were recruited to start in October 2019, one in Management and Sociology to strengthen college teaching in that area and one in Biological Physics to replace partially the loss of Fellows in Physics by retirement. The College has also recruited a new Bye-Fellow in Social Anthropology to direct studies and teach in that area and a Post-Doctoral Teaching Associate in Biological Sciences.
- 92) The College continues to support strong academic performance with student scholarships and prizes.

*Supporting the all-round personal development of all members of the Girton community*

- 93) The College Fellow for Life and Study Skills continues to coordinate our Thrive programme. This aims to support student study skills, the development of non-subject related transferable skills and to aid student well-being. The programme is for both graduates and undergraduates. As part of this programme a new Bye Fellow running up a career accelerator programme.
- 94) The Bye Fellow for Study Skills left at the end of Michaelmas Term and we recruited a new Bye Fellow for October 2020.
- 95) The Rose Award for students on full bursaries who contribute to society has generated excellent applicants.
- 96) The Student Living Costs Working Group has been established to advise Council on the need to consider the cost of living in Cambridge and the need for bursaries and hardship funding.
- 97) The College Council has established an inclusivity working group to help advise Council on issues faced by students, including but not limited to disability, socioeconomic disadvantage, gender issues and racial discrimination
- 98) The event bookings process continues to ensure that the College can continue to champion freedom of speech while being aware of all speakers on site.
- 99) The College supports additional student study costs via its Academic Fund and elite sports costs via its Sports Award Scheme.
- 100) Music and drama remain an important part of college provision as do subject specific societies. There is in addition an alumna-funded artist in residence, and three musicians in residence.

*Maintaining a world class Fellowship*

- 101) As at 1 October 2019, the College had a notional teaching establishment of 45 against a quota of 42 (2019: 45 against 42), covering nearly all of the subjects offered by the University.

- 102) The Fellowship as a whole numbered 117 (2019: 123) including Life Fellows. Together with 30 Honorary and 13 Barbara Bodichon Fellows, the total community was 160.
- 103) During 2019-20, the College admitted new Official Fellows in Chemistry, Postdoctoral Affairs, and as a new Bursar; a research fellow in Classics; a Helen Cam Visiting Fellow; and two Mary Amelia Cummins Harvey Visiting Fellows.

*Developing the operational estate*

- 104) 2019-20 was the third year of operation by the College of the 325 room leasehold Swirles Court, named after the late and much-loved Girton Senior Fellow better known to the Fellowship as Bertha, Lady Jeffreys.
- 105) Swirles Court is located close to the main College site, in the heart of the University's prestigious new urban development, Eddington. It represents a new style of student accommodation for the College, being entirely self-catering, organised in house-type units, with shared sitting room/kitchens on each floor. All 325 rooms have en-suite bathrooms.
- 106) From October 2019 until the end of March 2020, Swirles Court was on average 96% occupied; with the onset of the COVID-19 pandemic the building was largely vacated, save for a small number of students unable to return home (about 70 in June 2020)
- 107) Under the terms of the lease, the College was required to continue to pay rent to the University during the largely empty Easter Term, notwithstanding the very significant loss of income due to the absence of the majority of the student tenants. Post year-end the University reimbursed the College for the rent payable by non-Girton students who were private tenants at Swirles Court (£33,735).
- 108) Significant maintenance and capital projects were largely deferred in order to preserve cash during this first phase of the COVID-19 pandemic, with a focus on activities such as asbestos removal which could be undertaken most efficiently and at lowest cost with the College site largely empty.

*Achieving financial sustainability*

- 109) The College's unrestricted deficit before depreciation, investment gains/(losses) and impact of USS valuation for the year was £712k (2018-19: £539k). This represented an underperformance of £457k relative to the budgeted deficit, on a comparable basis, for 2019-20 of £1,169k. The impact of COVID-19 in terms of lost rental and catering income in Easter Term was the principal driver of this underperformance, which was only partially mitigated by a reduction in variable costs, and postponed maintenance
- 110) As at 30.6.20 the College's free reserves were £23.9m (2019: £26.5m) and during the year 2019-20 annual unrestricted expenditure before depreciation and USS provision was £12.2m (2019: £12.6m). Whilst free reserves reflect the impact of COVID-19, they continue nonetheless to exceed comfortably the minimum target. As the current crisis continues to play out, the College continues to evaluate plans for future development, including the nature, timing and funding strategy for any such development.

*Enhancing communication with the community and with the world beyond*

- 111) Over the course of the year, work was undertaken on a new College website, which was launched at the end of September 2020.
- 112) The new website has a more modern, clean appearance, is rich in photographic content, and has a structure which is intuitive and easy to navigate. New features include a prominent and easily searchable Fellows' directory; an enhanced Alumni section; and greater prominence given to the personal experience of a variety of members of the community ("Girton Stories").
- 113) The new website is configured to work on mobile and tablet devices, as well as on desktop machines, allowing for easy linkage to the College's social media accounts.
- 114) Initial feedback on the website has been positive and it is intended to make further upgrades over the course of the academic year 2020-21 in response to specific feedback and data on individual usage.
- 115) 2019-20 saw steady growth in the number of followers, page likes, views and subscribers on Girton College social media accounts. As of 27/10/20, the College has 5,875 Twitter followers, 4,918 Facebook page likes, 4,993 Facebook followers, 3,087 Instagram followers, 525 LinkedIn followers, 75 LinkedIn connections, and 107 YouTube subscribers, and has had 10,485 YouTube views.
- 116) In 2019 College set up a Flickr account. It currently has 266 photos and 1,107 views. It also set up a Vimeo channel in April 2020 to allow videos to be shared privately with College members and to allow videos to be embedded onto the new website with no advertisements (7,969 views).

**Investment performance**

- 117) The securities portfolio gained 2.1% in Sterling terms in the Financial Year 2019/2020. The Sterling performance figures embed the benefit (or disbenefit) of gains (or losses) arising from exposure to foreign currencies. Ignoring the impact of foreign currency-related gains (or losses), the securities portfolio was up +2.7%, very slightly ahead of the +2.6% gain made by the Strategic Asset Allocation (SAA) Benchmark, which comprises a blend of market indices which reflect the College's Strategic Asset Allocation.
- 118) After several years of positive performance, risk assets lost value in the first quarter of calendar 2020 due to the global pandemic, resulting in both the Securities Portfolio and the SAA Benchmark underperforming the return target of RPI + 3.2% (formerly 4%), which was up +4.2% over the same period.
- 119) Over the last five years, the Securities Portfolio has returned +6.1% per annum in Sterling terms and +5.9% per annum excluding the impact of foreign currency-related gains. The Sterling return and local currency return compare favourably with the SAA Benchmark gain of +5.1% per annum, but are lagging slightly the return target of RPI + 3.2% (formerly 4%), which is up +6.2% per annum over the same period, having fallen behind in 2020 due to the global pandemic.

### **Fundraising performance**

- 120) The Development Office, in partnership with the College's 2019 Committee, and in conjunction with the Mistress, spent the latter half of 2019 and early part of 2020 completing the final activities and events to mark the 150th Anniversary of the founding of the College in 1869. These included the London Regional concert at Gray's Inn Court featuring celebrated Girton musicians winners of the London Girton Association awards; the celebration of the Foundation Day on October 16th, the Mistress and Development Director's visit to Asia Pacific to celebrate the 150th Anniversary in Hong Kong, culminating in the Arthouse Spring Ball on March 13th 2020.
- 121) Also, in October 2019, the College ran its first ever Giving Week over the anniversary date when the College was founded. It was the most successful such campaign across Oxbridge, with 513 alumni making a gift, over twice the number forecast. Over £150,000 was raised for student support, our 67 social media ambassadors generated exciting digital content and many students, Fellows and staff of the College community were involved.
- 122) The College's current fundraising campaign - *A Great Campaign* - is an endowment campaign centred around the 150th Anniversary. It is expected to finish before 2022 and has a target to raise £50 million from a combination of donations and legacy pledges. In 2019-20, funds raised were £2.2m, with total funds raised to date during the *Campaign* of £24.1m (96% of the donations target), thanks to the generosity and commitment of alumni and supporters. The future legacy pledges currently stand at £15.2m (61% of the target) where amounts are known, and when added to a realistic estimate of pledged legacies where amounts are not yet known, we are on track to successfully complete this element of the *Campaign* target.
- 123) The current 150th Anniversary phase of *A Great Campaign* has four approved priorities, one of which is to raise funds to endow bursaries to offset the living costs of students from low-income families. Several year groups are coming together to endow their "Class Of" bursary, and this initiative is proving very popular. The campaign target to endow 20 such undergraduate bursaries has recently been successfully completed. However, the fundraising continues as the need for more bursary funds is ongoing.
- 124) A second priority is to endow up to five graduate studentships; so far three such scholarships have been endowed for UK and Hong Kong candidates. Fundraising for a fourth graduate studentship for a Singaporean is underway. One undergraduate studentship from Singapore has also been funded.
- 125) Fellowships are also a *Campaign* priority with the Juliet Campbell Fellowship focused on International Relations, and the Christine McKie Fellowship in Physical Sciences having been successfully completed during the year. Of the twelve Fellowships forming the campaign target, eleven have now been endowed. One final Fellowship - to be named for Bertha Jeffreys - in applied mathematics is still being fundraised for.

- 126) The fourth priority is to raise funds for the unrestricted permanent endowment capital of the College, with £10.2m funds raised since the start of *A Great Campaign*.
- 127) However, development activity was curtailed from March 2020 due to the impact of COVID-19 and the restrictions imposed by the government and the University. This meant that we were obliged to cancel the Easter 2020 Telethon which traditionally raises £250,000 over three years, as we were not permitted to have 15 callers over two rooms making calls.
- 128) Over the course of the current year, the College has organised 25 events across three continents attended by over 1,200 alumni, but since March 2020 13 in-person events have had to be cancelled due to COVID-19. Online communications, activities and events have been increased to further engage with alumni, including monthly e-newsletters informing alumni about upcoming online events and news, alumni speakers at student society events, a poetry fortnight including announcing this year's Jane Martin Poetry Prize winners and online discussion forums with key academics, including a debate on the UK and US constitutions between the Visitor, Lady Hale, emeritus President of the UK Supreme Court, and UCLA's Professor Adam Winkler.
- 129) Development Office staff have held over 65 one-to-one meetings with alumni, potential legators and supporters pre-Covid 19 lockdown. The College is very indebted to many of its stellar alumni who have spoken at these events, and to those who have hosted alumni events as well as to those who have generously supported our campaign goals.
- 130) This year has been a year of two halves - completing the successful 150th Anniversary celebrating the wonderful heritage and the founding of Girton College - and then immediately from late March moving into lockdown into a new, virtual world, facing many changes of plans and uncertainties.
- 131) Our students remain at the heart of the college, and we are working to ensure that their experience at Girton continues to be life enhancing and without hardship. Thanks to the generosity of alumni and the long-standing endowment campaign, College is better prepared to withstand these challenges.

### **Impact reporting**

- 132) Following the success of the 150th anniversary celebrations in 2019, the College community continues to build on its foundational commitment to the full participation of women in higher education, and in political and professional life.
- 133) Continued efforts in widening participation, together with ongoing commitments to equality, diversity and belonging ensure openness to the best students from all backgrounds, irrespective of family income or wealth.
- 134) Low dropout rates underscored by an enlarged life skills programme add to the pool of qualified graduates with an all-round education, including transferable and life skills, as well as specialist subject knowledge, meeting the needs of employers on a world stage.

### **Factors outside the College's control**

- 135) Factors outside the College's control include nationally regulated undergraduate tuition fees (currently under review), and postgraduate tuition fees which are set by the University.
- 136) The College's portfolio of endowment and other assets is invested in a diverse range of asset classes intended to mitigate risk, but it is nevertheless exposed to economic and market factors, which are beyond the control of all investors.
- 137) Investment market factors also partly underlie the actuarial gains and losses in respect of defined benefit pension schemes shown in the SOCI. The College has previously sought to manage the risks associated with the CCFPS by closing it to new members.
- 138) The College continues actively to manage its operations and its risks in the light of the evolving COVID-19 pandemic, though the global and national situation, including potential lockdowns imposed on a regional or national basis, remains outside the College's control.

### **Gender Pay Gap**

- 139) The College has to date not been required to report this information. Nevertheless, it would have wished to do so had it been practicable. The College's new HR and payroll system will enable the College to calculate and report on its Gender Pay Gap (if any) in the near future.

## **FINANCIAL REVIEW**

### **Review of financial position at year end**

#### *Balance sheet*

- 140) The accounts this year reflect in very large measure the impact of the COVID-19 pandemic which took effect from the end of March 2020. The actions and strategic decisions taken in prior years to strengthen the College's balance sheet and reserves position meant that the College was in a strong position to deal with a crisis without precedent in our recent history. Nonetheless, rebuilding from the present position will require not only careful short-term management but a renewed focus on operational improvement, including the long-held objective of eliminating the operating deficit.

#### *Total net assets*

- 141) The College's total net assets as at 30.6.20 were £151m, a 1.6% decrease on the previous year.

#### *Investments*

- 142) The investments portfolio, as a whole, stood at £99.8m as at 30 June 2020, flat on the previous year.

#### *Operational fixed assets*

- 143) Operational fixed assets as at 30.6.20 were £70.0m, a decrease of 1.7% from the previous year. This reflects the balance of a very modest amount of Capex (£384k) and a depreciation charge for the year of £1.6m.

- 144) This year, maintenance work was reduced due to COVID, to help with cash flow. The College spent £384k on capital expenditure, mainly on infrastructure such as electrical work, water tanks and boiler rooms, works which were necessary for the sound running of the College. The College also continued its programme of improvement of sports provision with the completion of 2 new outdoors tennis courts.

*Cash, borrowing and gearing*

- 145) Cash on the balance sheet continued to reduce, from £2.4m to £1.3m by the year-end. The impact of COVID-19 in reducing income from rents and catering meant that the College was consuming cash, in particular over the Summer Term.
- 146) The balance of outstanding loan capital was reduced by c. £128k as a result of scheduled instalments. As set out in Note 13, the majority of this borrowing is very long term and was intended to provide the liquidity needed for the College to maintain continuity of improvement and enhance the sustainability of its operational estate over a number of years.

*Pension provisions*

- 147) The majority of the £8.9m pension provision (2019: £7.9m) relates to the College's section of the Cambridge Colleges Federated Pensions Scheme (CCFPS) for non-academic staff. The Girton section of this scheme, in common with that of a number of other Colleges, has been closed to new members for some years, but existing members still in College employment are able to accrue benefits from future service. The increase in provision is due to updated assumptions as set out in Note 23 of the accounts.
- 148) The College continues to enrol academic members of staff in the Universities Superannuation Scheme (USS). Last year saw a £852k net annual movement in the associated pension provision is the result of changed assumptions during the financial year based on the 2017 actuarial valuation, and was separately identified as "Other Expenditure" in the SOCI because of its materiality to unrestricted expenditure. In August the 2018 actuarial valuation was released, on the basis of which the provision was £545k lower – this is therefore reflected as a positive in the SOCI for this year. The 2020 actuarial valuation is currently underway and should be reflected in the 20-21 accounts.
- 149) New members of non-academic staff are enrolled in a Defined Contribution scheme with NOW: Pensions.

*Restricted and unrestricted permanent endowment capital*

- 150) The aim of the College's current fundraising campaign, *A Great Campaign*, is to add £50m to the College's permanent endowment capital by means of lifetime gifts and legacy pledges. The campaign was launched in 2012 and is expected to have concluded by 30 June 2022.
- 151) The restricted permanent capital funds of the College are invested as an Amalgamated Trust Funds scheme (ATF) in the College's investment portfolio.

- 152) As at 30 June 2020, the value of restricted funds was £57.1m, up from £55.7m the previous year. The growth was due to a combination of new capital of £1.9m added as a result of donations and benefactions, investment income (net of charges and including increase in market value) of £2.6m, reduced by £3.1m being drawn down from the College for the funding of its operations.
- 153) The ATF at 30 June 2020 comprises 150 (2019: 149) funds, for a variety of purposes, as summarised in Note 15 of the accounts. Since 30 June 2009 (the low point following the global financial crisis), the capital value has grown from £11.47 per unit to £16.23 per unit.
- 154) Donations and benefactions are gratefully accepted for a wide range of purposes, and the College is ever mindful of the generosity of its supporters in allowing it to continue in its mission. The College prioritises fundraising for unrestricted permanent endowment (UPEC), because of the flexibility it offers to meet future needs as they arise. Thanks to the generosity of donors and benefactors, as well as investment gains, the College's UPEC has grown during the current decade from £3.7m as at 30.6.10 to £16.2m as at 30.6.20, which is very pleasing.

### **Financial effect of significant events in 2019-20**

#### *Capital items in SOCI*

- 155) The net comprehensive deficit for the year of (£2.4m) has reduced the College's net assets by 1.6% from £153.4m to £151.0m. This is primarily driven by net expenditure absorbed by the College's operational activities, and actuarial losses, the total of which were only partially offset by new donations.

#### *Benefactions and donations in SOCI*

- 156) Reflecting the emphasis placed on permanent endowment during *A Great Campaign*, 89% of the £2.0m of benefactions and donations received by the College during 2019-20 were gifts to permanent endowment capital (2018-19: £3.1m, of which 93% were permanent endowment). These are very pleasing results for which the College is very grateful to its supporters.

#### *Investment gains and losses*

- 157) Net investment gains of £1.5m in 2019-20 were materially below the £4.6m of the previous year, reflecting a far weaker market in the first half of calendar 2020 on the basis of reduced growth forecasts due to the COVID-19 pandemic. The College benefited during this period from its diverse asset allocation, with severe falls in equity markets balanced by a stronger performance from fixed income, hedge funds, private equity and alternative assets.

#### *Gains and losses on disposal of fixed assets*

- 158) There were no disposals of fixed assets in 2019-20.

#### *Revaluation of fixed assets*

- 159) There have been no operational fixed asset revaluations during the year.



*Actuarial gains and losses*

- 160) The actuarial loss of £1.4m (2018-19: loss of £1.2m) relates to the College's share of the Cambridge Colleges Federated Pensions Scheme (CCFPS) for non-academic staff. The Girton section of this scheme, in common with that of a number of other Colleges, has been closed to new members for some years, but existing members still in College employment are able to accrue benefits from future service.
- 161) The University Superannuation Scheme (USS) 2018 valuation was completed after the end of the previous financial year. The accounts for 2018-19 therefore included the provision as per valuation 2017. That provision included £880k for expected changes in contributions reduced by £28k for contribution already made towards this deficit (net of £852k). On the basis of the 2018 valuation, the provision for expected contributions was reduced to £314k – this adjustment has therefore been reflected in the accounts for 2019-20.

**Investment policy & objectives**

- 162) The College's investment portfolio comprises both endowment and general investment assets. The purpose of the College's endowment is to support the long-term operating needs of the College in perpetuity. The investment assets represent accumulated expendable capital, surpluses and reserves, which may be employed to support the operating and capital needs of the College, as required. To this end, the overall investment portfolio is managed to maximize the long-term total return of the portfolio, subject to maintaining a reasonable level of risk of loss. The portfolio supports the operating and capital needs of Girton College through an annual spending rate, which is reviewed as necessary to ensure that it is sustainable over the long term.
- 163) The College has previously operated a long-term spending rule, which permits the transfer for each financial year of 4% of the average value of the investment assets net of any outstanding debt as of 1st January of the current fiscal year and two preceding fiscal years. In the course of the 2018 budgeting round, Council agreed to reduce the rate of spending from 4% to 3.2% over the next five years. In accordance with this phased reduction the rate of spending in the year 2019-20 was 3.68%
- 164) If the investment portfolio is to fulfil its purpose, its purchasing power must be at least preserved and, if possible, enhanced. This implies that the investment assets must target a time-weighted total return of an estimated 6.2% p.a. after all costs, comprising the 3.2% annual spending rate plus a long-run allowance for 3% annual inflation.
- 165) The College takes a long-term view on investment strategy, and the Strategic Asset Allocation ("SAA") is designed to reflect the optimal long-term asset allocation for the College given the risk/return objectives outlined herein. The Strategic Asset Allocation is formally reviewed on an annual basis by the Investments Committee and may be modified as needed in light of experience and changing circumstances, based on research and discussion involving Investments Committee members and outside experts. Such discussion focuses on the College's liquidity needs and perceived risk tolerance, as well as the projected behaviour of asset classes and strategies deemed worthy of consideration for the College's potential use.

- 166) Re-balancing will normally be undertaken on an annual basis to re-align asset allocations with the Strategic Asset Allocation. Where funds are required for operational purposes or differences in performance between asset classes are large, re-balancing may be implemented on a more frequent basis.

### **Risks & uncertainties**

- 167) The major risk to the balance sheet at present is the uncertain outlook for the COVID-19 pandemic over the course of the next two financial years. This may have a material negative impact on the College finances in several respects:
- (a) College occupancy, whilst divided into “households” for the purposes of containing transmission of the virus, is 83%. Whilst this is a pleasing outcome and represents a very detailed effort in temporary adaptation of the college estate, it will nonetheless represent an ongoing reduction in expected income from residence charges for as long as this arrangement of student living is required;
  - (b) Should the College be required to close again this would represent a loss of rental and catering income of approximately £1.3m per term, only partially offset by reduced variable costs (catering supplies, contract cleaning etc);
  - (c) Commercial income through Girton Summer Programmes, conferences and other events depends upon the ability to host groups in person in College, many of whom typically come from overseas. Whilst the College has gone to great lengths to provide a COVID-secure environment, there is limited potential for a significant recovery in the short to medium term, due to (a) the severe constraints on numbers in internal spaces; (b) the uncertain willingness of groups to travel; (c) the reduction in conference and events budgets across a large range of organisations who themselves are in many cases facing a significant reduction in income. Whilst Girton Summer Programmes has made progress in rolling out an online version of the courses, this will at best only partially offset the decline from in-person programmes held on site;
- 168) The Development Office continues to maintain a vibrant on-line presence, which has been greatly enhanced since the start of the pandemic, including a range of alumni events. However, the lack of in-person events inevitably reduces the range and scope of fundraising opportunities.
- 169) Overall, therefore, as long as the COVID-19 pandemic imposes the current level of constraints on College operations, it must be envisaged that income will be reduced accordingly. Any more severe measures to contain the virus on a local or national level may potentially lead to very material further loss of income.
- 170) Financial markets represent a further risk given the importance of investment returns to endowment income. Although equity markets have recovered from the initial fall as the COVID-19 pandemic took hold, they remain vulnerable to negative newsflow concerning the virus.

- 171) In respect of investment income, Brexit represents an additional risk, including (at the time of writing) the potential failure to achieve a trade deal between Britain and the EU. It should be noted that the valuation of the college endowment for the purposes of calculating spending is struck at 31st December which, in 2020, will be the day before the UK moves onto any new trading arrangements. The associated potential market volatility represents a risk to the level of income transferred under the spending rule, albeit mitigated by the College's policy of smoothing capital values over three years.
- 172) It should be noted that Council takes a long-term view of investment risk, and its investment policy and strategy, as set out above, are designed to reduce volatility while maintaining the purchasing power of the College's endowment capital on a permanent basis.
- 173) A further set of risks in the medium-term surrounds student fees, which are currently under review following the Augar report and may therefore see further downward pressure.
- 174) Lastly, there are valuation exercises and consultations underway in respect of both of the USS and the CCFPS pension funds, which may over time lead to a material increase in the level of pension contributions required in order to address the prevailing deficits in those funds.

### **Principal sources of funding 2019-20**

#### *Endowment and investment income*

- 175) As grant-giving and operational charities, Cambridge Colleges typically rely on a combination of restricted and unrestricted income from their endowments and investments to offset their activity deficit (see below).
- 176) The College's policy of smoothing capital values over three years reduces the volatility of funds available for expenditure. In 2019-20, the amount of total return from investments transferred to unrestricted and restricted funds in the SOCI under the College's spending rule, at £3.1m, was £196k more than in the previous year. This reflects modest capital growth in the College's investment portfolio.
- 177) The increase in total return recognised in the SOCI (see Note 3. to the accounts) also reflects a reduction of £150k in the amount deducted in respect of interest on long term borrowings where the capital borrowed remains in the portfolio, as this is drawn down to fund the College's capital expenditure programme. Interest on borrowings which have been used to fund capital expenditure is accounted for under Other Operating Expenses (see Note 6 to the accounts).
- 178) The Council's decision during 2017-18 to reduce the spending rule from 4% to 3.2% over the next five years was incorporated into the College's five year rolling budget and began to take effect from 2019-20. This has created new pressure on spending budgets and the Council continues to look for ways of reducing costs while improving value for money and enhancing the student experience.

*Activity accounts*

- 179) The income and expenditure in the SOCI is classified by reference to the College's two major activities, Education and Accommodation, Catering and Conferences. Income, direct and indirect costs, and overheads are allocated between these two activities by a consistent process approved by the auditors. The overall net activity result is a deficit, which reflects the extent to which endowment income is needed to enhance the scope and quality of academic provision to College members, particularly students.
- 180) In recent years, the College's activity net deficit has been only partially offset by endowment and investment income, leading to an overall unrestricted net deficit before investment gains/losses. This deficit was very materially exacerbated by the several impacts of COVID-19 from April 2020, though it may be estimated that, if these specific impacts were excluded, the College would have run a deficit below that in the previous year.
- 181) In order to eliminate this deficit and achieve financial sustainability, the Council has agreed on the following long term strategy:
- a) Enhanced endowment and investment income: this is being addressed over the medium term through *A Great Campaign* and was also assisted by the investment of the proceeds of sale of the freehold of Wolfson Court which was completed in 2017/18;
  - b) Higher activity recovery ratios (where this does not conflict with the College's aspirations to provide the best possible education for its students): this is being addressed through the development of Girton Summer Programmes, the growth of the student community to achieve better economies of scale, and other ongoing processes and reviews aimed at growing income and achieving better value for money;
  - c) A more financially efficient operational estate, which the move to Swirles Court and the planned further capital investment on the main site are intended to achieve.

*Education activity*

- 182) Student fee income was £186k higher than in the previous year, half of which coming from an increase in Postgraduate students, reflecting the strategy of the College to substantially increase its Postgraduate community in the medium term.
- 183) The rate of recovery of Education expenditure through tuition fees showed an increase from 63% in 2018-19 to 67% in 2019-20. In previous years, the College has recovered as much as 78% of its education expenditure from fees, but the cap, which has operated for a number of years on regulated undergraduate tuition fees, and an overall rising trend in other costs, makes it difficult to see how that previous recovery rate may be achieved again in the medium term. As we look forward, the picture is clouded somewhat by the need to run admissions online to the COVID-19 pandemic, and where savings in accommodating candidates may be outweighed by additional administrative costs.
- 184) Education expenditure reported in the RCCA includes an allocation of overhead and depreciation costs, where it relates to space with academic use. Due to the COVID-19 pandemic, the College stopped some building upgrade programmes and reduced other expenditure where possible, which resulted in lower overhead to be allocated across.

This resulted in Education expenditure being £149k lower than in the previous year. Excluding overhead allocation, direct costs are in line with previous year, as there was no reduction in Education provision for the Easter term 2020.

*Accommodation, catering and conference activity*

- 185) The £1.2m reduction in income, the most notable single financial change this year, was principally due to the closure of College in Easter Term 2020, during which period students were required to be out of College and, in line with the policy adopted across the collegiate University, were not required to pay any residence charge. The majority of the change (c. £940k) therefore relates to the loss of student residence charges during the period; the remainder represents the loss of income from external conference accommodation.
- 186) The costs allocated to Accommodation, Catering and Conferences include an allocation of buildings-related overheads and depreciation. Some of this is allocated to Education, where it relates to spaces with academic use. The balance not allocated to Education is allocated to Accommodation, Catering and Conferences. Within that, the Conference and other commercial activity accounts bear the full cost of facilities at times when they are available for Conferences, regardless of actual usage. Notwithstanding the apparent substantial loss on Conference activity in these accounts, the departmental management accounts show a positive contribution to fixed costs.
- 187) The recovery rate for Accommodation activity increased from 57% to 78% between 2016-17 and 2018-19. However, due to COVID, resulting in a near-empty college in Easter term and the cancellation of all conferences, the rate fell to 64% in 2019-20. On an underlying basis (assuming that student residence charges had been received in Easter Term, income had come in from Summer Programmes due to start in June, and we maintained the same structure of overheads), the recovery rate would have come in at or slightly above 78%.
- 188) By contrast, the recovery rate on Catering has declined from 51% to 42% over the last 12 months. Although it was expected the opening of the Social Hub in late 2019-20, the recovery rate might reasonably improve, the closure of the College during the Easter term has had a negative impact. If the College had remained open, the recovery rate may have been slightly higher than in 2018-19

*Spendable donation income*

- 189) Donation income in the SOCI consists of gifts, which were pledged before A Great Campaign commenced, or where the donor has clearly specified the gift as unrestricted, spendable income. It should be noted that the £85k amount shown for 2019-20, some £50k higher than the previous year, includes the gift of two works of art worth a combined £80k, with £5k received as spendable donation income.

**Pension liabilities**

*Pension provisions*

- 190) See above.

## ESG investment policy

- 191) The College wishes its investment practice to reflect its values and reputation as a charitable educational establishment of long standing. While these values do not at present require the automatic avoidance of any particular corporation or sector, they do require that all investment managers behave with integrity and are fully compliant with all regulatory requirements and relevant codes of practice.
- 192) Girton College has a diversified investment portfolio, with no one corporation representing over 1% of its total value. As Girton College does not 'pick stocks' and avoids investment managers who specialize in sensitive sectors<sup>1</sup>, it does not routinely confront issues of social responsibility with the selection of its investments. It does, however, pick carefully its investment managers. Girton College insists that these managers demonstrate a very high standard of integrity towards their clients, their staff and the relevant regulatory authorities. Where any breaches of integrity are detected, the assets under management may be moved to another manager.
- 193) The Investments Committee and the College's Investment Manager review the portfolio annually to identify any one stock or sector (excluding Gilts) which represents over 1% of its investment portfolio. The Committee will consider whether the College's values or reputation are being placed at risk by this investment in the context of any material impact on the investment portfolio.
- 194) The most ESG review as at 30<sup>th</sup> June 2020 showed that:
- (a) The College portfolio's estimated exposure through liquid equities to sensitive sectors (alcohol, armaments gambling, tobacco and fossil fuels) was 3.2%. Within this, the exposure to Fossil Fuels (primarily through tracker funds) was 1.0%. A further 0.8% of the portfolio had Fossil Fuel exposure through illiquid Private Equity investments
  - (b) Both of these measures were significantly below the relevant benchmarks (agreed in 2015) i.e.
    - (i) a traditional 60/40 equity/fixed interest portfolio – 4.5% (of which 2.5% Fossil Fuels);
    - (ii) global equities – 7.5% (of which 4.2% Fossil Fuels).
- 195) In the period after the financial year end, the College has begun work to revisit its ESG policy, with a focus on potential approaches to further reducing its Fossil Fuel exposure.

## Review of reserves

### *Reserves policy*

- 196) The College is a permanent institution and holds substantial charitable funds on trust for a variety of purposes. The Council monitors the College's "free reserves", calculated as total unrestricted funds less fixed assets, since it does not regard the operational estate as available for such a purpose. Nevertheless, there are functional assets within the operational property portfolio which might at some stage be sold or otherwise removed from the operational estate.

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<sup>1</sup> Sensitive sectors are defined as: Alcohol (Brewers, Distillers and Vintners), Armaments (Aerospace and Defense), Gambling (Casinos and Gambling), Tobacco, and Fossil Fuels

- 197) The College requires free reserves:
- i) to underwrite the continuity of its operations;
  - ii) to maintain equity between generations of members;
  - iii) to fund capital expenditure;
  - iv) to be able to respond to any urgent need for unplanned expenditure;
  - v) to fund any future increases in pension reserves; and
  - vi) to provide for winding up costs in the event of a cessation of business.
- 198) The Council regards accumulated free reserves which arose from:
- i) unrestricted spendable donations in the quiet period of *A Great Campaign* (£1.7m); and
  - ii) the proceeds of sales of property (£23.4m)
- as quasi-unrestricted permanent endowment invested alongside other permanent funds to provide an income for the College. Such free reserves designated as quasi-unrestricted permanent endowment (quasi-UPEC) will be used only sparingly and if absolutely necessary to maintain continuity of operations and equity between generations. The proceeds from property sales are regarded as available for capital purposes such as further investment in the College's operational estate.
- 199) The College aims to fund its capital expenditure requirements over the next five years (currently budgeted at £5.4m) from a combination of free reserves, donations and long-term loans.
- 200) The Council aims to retain a minimum of one year's unrestricted expenditure before depreciation as free reserves (£11.6m).
- 201) The Council monitors:
- a) the relationship between free reserves and the unrestricted funds net deficit before investment gains and losses in the Statement of Comprehensive Income; and
  - b) the ratio of reserves to the net deficit before depreciation and donations, which it regards as a prudent measure of cash absorbed by operations.
- 202) In addition to these measures, the College maintains an income reserve within its Amalgamated Trust Funds (ATF) scheme which it uses, in conjunction with a three year rolling average smoothing of capital valuations for the purposes of its total return spending rule, to maintain a consistent level of expenditure on the various restricted charitable purposes of the ATF.

*Amount of reserves*

- 203) As at 30.6.20 the College's free reserves were £23.9m (2019: £26.5m) and during the year 2019-20 annual unrestricted expenditure before depreciation was £11.6m (2019: £13.4m). The ratio of free reserves to unrestricted funds net deficit before investment gains and losses was 13.7 (2019: 9.5) and the ratio of free reserves to the net deficit before depreciation and donations was 30 (2019: 46.5).

*Comparison with reserves policy*

204) The College's free reserves remain compliant with the Council's reserves policy, which was most recently reviewed in June 2020.

*Longer term trends (5 years)*

205) Clearly, the timing of a return to normal operations post the COVID-19 pandemic will be the single most significant factor determining the outturn of College finances within the scope of the current five-year budget. Within this, the timing of the ability to resume commercial activities will be a key factor.

206) As such, the five-year budgeting exercise undertaken this year is more than usually subject to a range of risk factors (detailed in paragraphs 168-174 of this report), and the College is continuing to reassess forecasts and adjust planning on the basis of the unfolding progress of the COVID-19 pandemic.

207) On the basis that commercial activities are able to return to full strength over the next two years then it is estimated that the College should be in a position to make substantial progress in closing the deficit and, potentially, to achieving a modest surplus.

208) The Council has budgeted for capital expenditure totalling £5.4m over the next five years while it completes its current estates strategy. As with other elements of planning, this remains subject to ongoing review depending on the progress of the pandemic, giving consideration to (a) the availability of relevant contractors and the ability to carry out works efficiently; (b) the potential need to preserve liquidity on the basis of a more prolonged pandemic.

209) It is nonetheless expected, on all scenarios modelled, that free reserves will remain comfortably above the benchmark of one year's expenditure throughout the period.

**Going concern**

*Explanation of operating deficit*

210) The College's overall financial sustainability has been transformed over recent years by the growth in the permanent endowment through *A Great Campaign*, leading to a steady increase in investment returns able to fund activities. That said, it is important at the same time that the operational result (including subsidy from investment returns and donations) does not itself represent a drain on reserves. Thus the College Council has rightly been concerned for a number of years about the College's persistent unrestricted operating deficit (the unrestricted funds net deficit before investment gains/losses in the SOCI).

211) For the 2019-20 financial year this stood at (£1,735k); on a cash basis (i.e. before depreciation and excluding the movement in the USS pension deficit) this deficit was (£712k), £570k worse than had been budgeted and £175k worse than the previous year. This was due almost entirely to the impact of COVID-19 on rental and catering income in the Easter Term.

212) Whilst the COVID-19 pandemic continues to present immediate challenges, work also remains ongoing to address three core underlying areas of underperformance:



- (a) Seeking to improve the economic performance of the leasehold building at Swirles Court, which has lost money each year since occupation due to a combination of (i) a greater than expected number of voids; (ii) poor build quality and a non-performing facilities management contract leading to higher than expected maintenance costs. This is a matter of ongoing discussion with our landlords;
- (b) Adopting a more focused and unified approach to the running of the commercial business, such that an improved return is generated from the College's asset base;
- (c) Upgrading IT software and systems so as to remove bottlenecks and inefficiencies from a range of operating and reporting processes across the College, thereby allowing greater control of expenses, improved financial planning and, over time, seeking to reduce the costs of administration.

213) By progressing work on all three of these areas the objective is that the College should emerge from the present crisis in an even stronger position than going into it, and that the path to closing the operating deficit should be accelerated, as far as that is in our control.

#### *Cash Flow Statement*

214) Close and active monitoring of cash flow has been imperative in order to manage the severe challenges presented by the COVID-19 pandemic and continues to characterise the approach taken by the Bursary. At 30/6/20 the College's cash balance stood at £1.3m, down from £2.4m at the end of the 2018-19 financial year, and an output of the cash consumed in the latter half of the year.

#### **Any fund or subsidiary in deficit**

215) None of the constituent funds of the ATF were in deficit at the year end.

#### **Plans for future periods**

##### **Council's future plans**

216) The College is a permanent institution and an important constituent of the collegiate University of Cambridge. The Council's plans for the next five years include:

- a) Finalising a new strategic plan, based on a review of the challenges and achievements of the current strategic plan, and a wide-ranging consultation with internal and external stakeholders;
- b) Taking further steps towards the goal of "inclusive excellence" by a renewed focus on diversity across a range of metrics; and providing students with the support and tools to achieve the best possible educational outcomes, measured in terms of academic success and personal growth;
- c) Further fostering the wellbeing of all members of the College as an essential basis for achieving their full potential, within the residential higher education setting that is a hallmark of the collegiate University;
- d) Working to achieve improvements to the operating performance of the College, including making more effective use of Information Technology in order to

- increase efficiency and, over time, deliver permanent improvements to the cost base;
- e) Working towards Net Zero carbon through a range of strategic and operational initiatives under the “Green Girton” banner;
  - f) Further maximising the College’s commercial revenue by taking a focused and co-ordinated approach to growing Girton Summer Programmes and the conferencing business;
  - g) Taking further steps in estate planning, including establishing a reasonable timetable to advance the Masterplan for the main site, whilst driving improvements in the financial performance of the Swirles Court building;
  - h) Continuous improvements to governance arrangements, including a review and reformation of the Statutes during 2021;
  - i) Succession planning for key offices which will be vacated on retirement in the next five years.

### **Five year rolling budget**

217) The Council has adopted a five year rolling budget for 2020/21 to 2024/25. The revenue budget includes operating income and expenditure, the proportion of total return allowed by the College’s long-term spending rule, depreciation, interest and donations. It does not include investment gains/losses retained as unapplied total return (see Note 17. to the Accounts), gains/losses on disposal of fixed assets, gains/losses on revaluation of fixed assets, nor actuarial gains/losses in respect of pension schemes.

### **Capital expenditure programme**

218) Capital expenditure budgets for the next five years are as follows:

- (1) 2020/21: £518k (initial work on New Wing refurbishment, various projects to maintain the College’s safety);
- (2) 2021/22: £3,070k (largely New Wing refurbishment, Kitchen refurbishment and fit-out);
- (3) 2022/23: £529k (Chapel Wing plant room)
- (4) 2023/24: £865k (Chapel Wing refurbishment)
- (5) 2024/25: £447k (Tower plant room).

219) It should be noted that these budgeted works are highly provisional and continue to be subject to a review of the College’s ongoing financial position in the light of further potential losses due to COVID-19.

220) Various significant items were removed from the capital expenditure budget in the course of the last round, including the refurbishment of Cloister Court and the renovation of Old Hall. Certain major items, notably the Kitchen refurbishment, are increasingly urgent and likely to add to the overall cost if they are delayed much further.

### **Impact on free reserves**

221) Both the net deficit before depreciation and exceptional income and any capital expenditure will ultimately be funded by a combination of free reserves and long-term loans available for capital expenditure. The impact over five years of the 2019 revenue and CapEx budgets is as set out below.

£000's	2020/21	2021/22	2022/23	2023/24	2024/25	5 year total
<b>2020 final CapEx budget</b>	(518)	(3,070)	(529)	(865)	(447)	(5,429)
<b>2020 final I&amp;E budget<sup>2</sup></b>	(2,290)	(366)	(58)	(343)	241	(2,816)
<b>Impact on free reserves</b>	(2,808)	(3,436)	(587)	(1,208)	(206)	(8,245)

## Risk management

### Acknowledgement of trustee responsibility

222) Members of the College Council as trustees have ultimate responsibility for ensuring that risk is managed satisfactorily within the College.

### Overview of risk identification, assessment and monitoring process

223) Risks are identified in the College Risk Register which is a detailed document produced some years ago. During 2017/18, the College Council agreed to take a different approach to identifying risk. A Council Dashboard was introduced which provides Council with termly data on key areas of College activity and includes RAG<sup>3</sup> metrics relating to key areas of risk including Health and Safety, Property Maintenance, Finance, Information Compliance, Personnel and Academic. It was also agreed that a new Corporate Risk Register would be devised, focussing on risks to delivering the College's Strategic Academic Plan, while the major committees of the College would be responsible for compiling and maintaining operational risk registers, feeding upwards to Council and the Corporate Risk Register as required.

224) Capital projects undertaken within College are subject to detailed local risk registers by individual project managers.

### Review and assessment of major risks and confirmation of controls

225) Council considered the major risks to which the College is exposed in 2019-20 and satisfied itself then that systems were in place in order to manage those risks. The main categories of operational risk for the College are:

<sup>2</sup> 2020/21 budget reflects reasonable mid-case as to occupancy from a range of scenarios modelled

<sup>3</sup> Red, Amber, Green

- a) Health & Safety
- b) Fire
- c) Employment
- d) Property maintenance and management
- e) Investment
- f) Funding and higher education policy
- g) Financial and accounting
- h) Admissions
- i) Student experience
- j) Reputation
- k) Governance
- l) Compliance

226) As set out above, a Corporate Risk Register is under development, which will link risk to the College's Strategic Academic Plan, which is due to be refreshed in the current year.

#### **Trustees' review**

227) Council reviewed the arrangements for managing risk in 2019-20 during consideration of its annual governance report.

#### **Safeguarding**

228) The Safeguarding leads in College are the Senior Tutor and the HR Manager, who, together with the Admissions Tutors, Senior Officers and Heads of Departments, oversee the implementation of policy throughout the organisation.

229) Children and vulnerable adults are present in College from time to time as prospective students, employees, casual workers, students, external trainees on work placements, event delegates, school visitors and when attending social events with members and alumni. In addition, the College has an active schools liaison programme involving staff working off site in schools.

230) The College aims to adopt the highest possible standards and take all reasonable steps in relation to protecting the safety and welfare of any children and vulnerable adults who come onto College premises or into contact with College staff (whether working in a paid or unpaid capacity).

231) The College implements a number of policies and processes designed to keep children and vulnerable adults safe from harm, primarily the Child & Vulnerable Adult Protection Policy (last updated May 2018) which outlines processes for risk assessment, recruitment and selection, supervision, training and support, confidentiality and responding to concerns. The Policy describes likely levels of staff contact, and recommended checks.

232) In addition, the College, as the owner of licensed premises, has a duty of care to risk assess all events with regard to avoiding harm to children and vulnerable adults.

233) As part of its Prevent duty, the College trains all staff to recognise indicators of vulnerability to radicalisation in colleagues and student members.

234) The College's Dignity at Work policy protects children and vulnerable adults at work, and there are prescribed, specific health and safety risk assessments for the employment of children and vulnerable adults.

### **Fundraising rules**

#### *Approach to fundraising*

235) The College is registered with the Fundraising Regulator and is compliant with the requirements of the Code of Fundraising Practice, the Data Protection Act 2019 and EU General Data Protection Regulation (GDPR), the Privacy and Electronic Communications (EC Directive) Regulations 2003 and the ICO Direct Marketing guidelines 2016 in the collection, retention and use of alumni data

#### *Commercial participators or fundraisers*

236) Girton has employed Commercial Participators or Fundraisers as callers in our telephone campaigns, although these are our current students who are calling former students to update them and ask for donations. We include an appropriate disclosure statement in the telephone scripts which are read out by the callers

#### *Conforming to recognised standards*

237) Girton is registered with the Fundraising Regulator and conforms to their voluntary code of practice. Some members of the Development Office team are also personal members of the Institute of Fundraising. The team attends training courses on Fundraising Regulation from the University of Cambridge, Institute of Fundraising, CASE and other recognised providers. An appropriate Alumni and Supporters Data Protection statement is on all digital and hard copy correspondence and on the College's websites.

#### *Monitoring*

238) The College monitors fundraising complaints and completes the Annual Complaints Return. With regard to data cleaning, the College provides 'Update your Details' forms or links in its three main publications, The Year, the Development Newsletter and the e-newsletter. The College pays for professional data cleansing every few years: most recently in 2015. Any returned post is logged and addresses as well as requests to change preferences are all changed promptly, within a week.

#### *Fundraising complaints*

239) In 2019-20, the College received six fundraising complaints (in relation to emails during the Giving Week). All were responded to within 24 hours and appropriate action taken. The College completes the Annual Complaints Return.

#### *Protection of the public*

240) The College removes those deemed vulnerable from its mailing lists as soon as the College knows about their condition (but keeps their data unless specifically requested as this helps ensure they are not accidentally re-added) except where certain

arrangements have been requested e.g. family members ask to keep sending them the Annual Report.

- 241) The College removes alumni and supporters from its mailing lists if they request it in compliance with its Data Protection Statement.
- 242) In its telephone campaigns, the College sends pre-call letters to all alumni enabling them to opt-out in advance of telephone communications. The College does not call anyone over the age of 75 to 85 after 8.30pm and does not call anyone over the age of 85 years. In five years, the College has only had one complaint about the timing of the call. The College may include those aged 85 and older in direct mailings, event invitations, newsletters etc. if appropriate e.g. they are a regular donor.
- 243) The College asks alumni and supporters about the type of contact they wish to have with the College and record their contact preferences on its database. This is done via the regular alumni and supporters questionnaires and during the annual telethons.

### **Structure, governance and management**

- 244) The College aims to operate as a model of good governance when measured against benchmarks within the charitable and higher education sectors, and to be open to best practice in other sectors, including the corporate sector, as appropriate. To that end, there is an annual review of governance, following which key recommendations are implemented.

### **Governing documents**

- 245) The College is a “Body Politic and Corporate” established by a Royal Charter dated 1924 and a Supplemental Charter and Statutes dated 1954. The foundation bears the name and style of “The Mistress Fellows and Scholars of Girton College” and is also known by the short name and style of “Girton College”.

- 246) The College is governed by its Statutes and Ordinances, which position it as a self-governing community of scholars.

### **Constitution and how trustees are recruited**

- 247) The charity trustees of the College are the members of College Council, comprising, in accordance with the College Statutes, four members who serve ex officio, nine Fellows who are elected in accordance with the Statutes by the Governing Body of the College, and five student members who are elected in accordance with the Ordinances of the College.

### **Names of trustees and principal officers during the financial year**

- 248) The members of the Council during the financial year 2019-20 were:

Prof S J Smith (Mistress)	Dr F Cooke from 1.10.19
Ms K L Lee (Vice-Mistress)	Dr C Alves from 1.10.19
Ms D Lowther (Bursar to 31.12.19)	Dr J Wade from 3.12.19
Mr J Anderson (Bursar from 1.1.20)	Dr S Davis (from 3.12.19)

Dr A M Fulton (Senior Tutor)  
Prof C Ford to 30.9.19  
Dr RJE Riley to 30.9.19  
Dr A Barford to 31.9.19  
Dr H Shercliff to 10.11.19  
Dr S Falk to 31.12.19  
Dr E Weisblatt  
Dr A Donovan  
Dr H Marlow

Ms Nicole Brocksom (JCR President) to 31.3.20  
Ms R Kapoor (JCR President) from 1.4.20  
Ms Dea Begaj (JCR Vice-President) to 31.12.19  
Ms H Hawkins (JCR Vice-President) from 1.1.20  
Mr W Emmrich (JCR Treasurer) to 31.12.19  
Mr K Asakura (JCR Treasurer) from 1.1.20  
Ms J Jia (MCR President) to 30.6.20  
Mr T Loman (MCR Vice-President) to 30.6.20

### **Organisation and governance structure**

- 249) The College Council meets 12 times annually. It is augmented by other members of the Fellowship for the purposes of certain business, as provided for in the College Statutes.
- 250) The Council is supported by a committee structure covering all College activities and involving Fellows, students and staff at all levels.
- 251) The Council oversees a devolved budgeting system under which individual budget holders are responsible for managing income and expenditure within their own areas of operation, and for bringing forward budget proposals through an annual budgeting process. Students, Fellows and members of staff are encouraged to participate in the process through their membership of the College's various committees. The College Council considers the budget proposal in detail before it is approved, to ensure that it is consistent with the College's strategic aims and objectives.
- 252) The proper use of finances and resources, in a manner which not only satisfies the requirements of internal control expected of a college, but also fulfils any legal or financial obligations as laid down by the Statutes and Ordinances, HMRC, the University of Cambridge, the Charity Commission and other authorities, is ensured by the College's Financial Regulations. The College Council reviews and approves these annually on the advice of the Bursar.
- 253) The Council undertakes an annual review of governance led by the Secretary to Council.
- 254) The Audit and Scrutiny Committee, which has a majority of external members, oversees the effectiveness of the College's financial, governance and risk management arrangements.

### **Induction and training of trustees**

- 255) An induction and training session is held annually for all new and continuing members of the Council. This includes in particular the policy of the College on the management of conflicts of interest.

### **Remuneration policy and process**

- 256) The College is guided by the remuneration policies and pay scales of the collegiate University of Cambridge and the HE sectors generally. Council normally approves the application of the sector pay award to College pay scales. An internal committee is in place to deal with matters not systematically covered by the established scales. Individual members of this committee would be expected to declare an interest and withdraw from the meeting during any discussion relating to their own pay.
- 257) In addition, the College has an independent Remunerations Committee with external members, with a remit to provide an impartial view of the remuneration of certain trustees, in particular the Mistress, Fellows and Officers, and to demonstrate that decisions are taken transparently and in the best interests of the College's charitable purposes.

### **Impact of membership of wider network**

- 258) Although it is a legally and financially separate institution governed by its own constitution, the College is part of the collegiate University of Cambridge and is subject to the Statutes of the University.
- 259) The University and the Colleges make complementary provision for the education of matriculated students, who are admitted by their Colleges and presented by them for examination by the University.
- 260) In the interests of enhancing quality and value for money, the Colleges contribute directly to the cost of shared services provided on behalf of the Colleges collectively, and also to joint ventures with the University.

### **Reference and administrative details**

#### **Charity registration number and address of principal office**

- 261) Girton College is a registered charity number 1137541 and its principal office is at Girton College, Huntingdon Road, Cambridge CB3 0JG.

### **Summary and conclusions**

- 262) The 2019-20 accounts reflect a period – coming directly after the memorable and highly successful 150<sup>th</sup> Anniversary celebrations including the Founders' Day events in October 2019 - in which the College was confronted with one of the most significant crises in its history. The COVID-19 pandemic led to the first ever prolonged closure of the College in term, and its effects, which touch on all aspects of College life, continue to be felt at the time of writing this report.
- 263) The loss of rental income, which impacted the 2019-20 financial year very significantly due to the Easter Term closure, is continuing to be felt in the present financial year as the College operates below full occupancy due to the need to segment student residents into households. This effect is likely to continue as long as the current measures remain in operation.
- 264) The College's commercial income, through Girton Summer Programmes, conferences and events, was reduced to a modest degree in 2019-20 but the reduction in 2020-21



will be more substantial. Notwithstanding rapid and very promising work undertaken to diversify the offering, commercial income is unlikely to show a meaningful recovery until more normal operating conditions are restored, including the willingness and ability of foreign students to travel to Cambridge for courses.

- 265) In order to reopen under COVID-19 secure conditions, a comprehensive exercise of risk mitigation has been undertaken, including the move to “blended” learning combining online and distanced in-person teaching; a total reorganisation of the catering provision; major adjustments to the nature and scope of cleaning; the provision of sanitation materials in all areas of college; and several other changes in order to allow as much community life to take place in person or, where not possible, online.
- 266) Actions taken by the College in recent years meant that it was in a historically strong financial position to deal with this unprecedented crisis. These actions included the ongoing work of fundraising for *A Great Campaign* which continues to make good progress towards completion. It must not be overlooked that, whilst the College made an operating deficit (excluding depreciation and other non-cash items) of (£712k) the College over the same period received a total of £1.8m towards the restricted and unrestricted Permanent Endowment.
- 267) In addition to the continuing excellent work of the Development Office in building the Endowment, the College’s investment portfolio has in recent years also been materially strengthened by the sale of Wolfson Court. The securities portfolio itself has shown resilience during a period of very considerable market volatility, due to a measured approach to risk and a well-diversified asset allocation. At the time of writing (November 2020) the securities portfolio is valued at just over £100m, up from £98m at the financial year end.
- 268) Whilst in the latter half of the year there was an urgent focus on dealing with the immediate financial and operation effects of the COVID-19 pandemic, which continues to consume significant time and focus from the College officers, work is nonetheless continuing to address the underlying factors with a bearing on the College’s long-term financial sustainability
- 269) Work continued in the course of the year to improve the financial performance of Swirles Court. This has, since opening, been beset by operating difficulties, leading to a cost base higher than that envisaged at the time of the lease, and thence to financial losses to the College. All aspects of the economics of Swirles Court are currently being addressed, including renewed contract discussions with the landlord.
- 270) The College looks at Swirles Court in the context of its overall estates planning, including the Masterplan for the Main Site. Due to the financial uncertainty created by COVID-19, and the management time required, the College is working with its advisors in order to explore means of extending the period of the current planning permission, so as to allow for a more considered exercise of consultation and planning on the basis of a clear understanding of the College’s financial position post COVID.

- 271) The College scaled back a number of items of planned expenditure in order to preserve cash in response to the income declines due to the COVID-19 pandemic. Key areas of focus here were a reduction in planned maintenance (both smaller items, where safe to do so, and larger elements of capital expenditure); and eliminating or postponing as far as practical new staff hires.
- 272) Notwithstanding the overall move to reduce costs, investment has been maintained in the College's IT provision, with the goal of using technology better in order to drive further efficiency in a variety of operational and administrative processes. This is an area of significant short- to medium-term focus, with potential benefits for operating expenses over time.
- 273) The COVID-19 pandemic has presented the College with one of the most severe tests in its history and has required an enormous exercise in planning and adaptation involving every member of the college community – students, Fellows, and staff. This test shows no imminent sign of abating at the time of writing this report. It is a testament to the dedication, resilience, ingenuity and flexibility of the whole Girton community that, in the face of unprecedented challenges, the College continues to be a centre of world-class research and education, delivering fully on its aims and building further on the pioneering vision which inspired its foundation.



**On behalf of the Council**  
**Professor Susan J Smith**  
**Mistress**  
**1<sup>st</sup> December 2020**

## Corporate Governance

1. The following statement is provided by the Augmented Council to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137541) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Council is advised in carrying out its duties by a number of Committees, the main ones meeting in 2019-20 being:
  - a. Investments Committee
  - b. Financial Planning Committee
  - c. Buildings Committee
  - d. Personnel Committee
  - e. Academic Policy Committee
  - f. Health and Safety Committee
  - g. Development Strategy Committee
  - h. Audit and Scrutiny Committee
4. The principal officers of the College are the statutory officers:

The Mistress	The Senior Tutor
The Vice-Mistress	The Bursar
5. It is the duty of the Audit and Scrutiny Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Council on the appointment of external auditors; to consider reports submitted by the auditors, to monitor the implementation of recommendations made by the auditors; to make an annual report to the Council. The members of the Audit and Scrutiny Committee for 2019-20 were:

Mr Paul Cook	Dr Julia Riley (Life Fellow)
Ms Rosamund Sykes	Ms Karen Knight
6. There is a Register of Interests of members of Council. Declarations of interest are made systematically at meetings.

The College's Trustees (members of Council) during the year ended 30 June 2020 are set out on page 36.

### **Statement of Internal Control**

1. The Council is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Council is responsible, in accordance with the College's Statutes.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
3. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2020 and up to the date of approval of the financial statements.
4. The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - a. The Council receives an annual report from the Audit and Scrutiny Committee;
  - b. The Augmented Council receives the annual Audit Matters document from the external auditors and refers any matters of concern to Council;
  - c. The Council undertakes an annual review of the College's Financial Regulations.
5. 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.

### **Responsibilities of the Augmented Council**

The Augmented 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).

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Augmented 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 Augmented Council are 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 Augmented 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 Augmented 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.

## Independent Auditors' Report to the Augmented Council of Girton College

Year Ended 30 June 2020

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### Opinion

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

In our opinion, the financial statements:

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

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### **Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

- The information given in the Report of the Augmented Council is inconsistent in any material respect with the financial statements; or
- Sufficient accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

### **Responsibilities of the Augmented Council**

As explained more fully in the responsibilities of the Augmented Council statement set out on page 42, the Augmented Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Augmented Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Augmented Council are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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



**PETERS ELWORTHY & MOORE**

Chartered Accountants and Statutory Auditors

Salisbury House

Station Road

Cambridge

CBI 2LA

Date: 7 December 2020

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



## **Statement of Principal Accounting Policies**

### **Basis of preparation**

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

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

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

### **Basis of accounting**

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

### **Going concern**

The global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased as the majority of students returned home in March 2020. Students returned to the College at the start of the new academic year in October 2020 therefore the core of College activities have started again. However, it is unlikely that the conference and Girton Summer Programmes activity will be able to resume in physical form in the immediate future.

The Trustees have prepared forecasts for the period to 2025 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has taken measures to reduce its cost base, including reducing maintenance and capex; and freezing all but the most essential recruitment, in order to combat the reduction in revenues and to extend financial headroom. The College has sought to utilise financial measures announced by the Chancellor of the Exchequer, on behalf of HM Treasury, to support and provide funding to businesses during this time. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

## **Recognition of income**

### *Academic fees*

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

### *Grant income*

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

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

### *Donations and endowments*

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

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

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

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

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income.<sup>1</sup>

*Investment income and change in value of investment assets*

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

*Total return*

The College invests its endowment portfolio and allocated the related earnings for expenditure in accordance with the total return concept. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The College spending rule permits the transfer for the academic year of no more than 4 per cent of the 3-year rolling average of the balance of the fund as at 1st of January. The College operates a unitised Amalgamated Trust Fund (ATF) scheme for the collective investment of endowment funds, under which the transfer is permitted by the spending rule is converted into a pro-rata distribution of the funds. The funds within the ATF scheme include an income reserve fund, to which part of the transfer may be added, if in excess of the total distribution needed to maintain the spending capacity of the funds. In years in which the transfer is inadequate to maintain the spending of the funds, the income reserve fund may be drawn on to supplement the distribution of the funds.

*Other income*

Income is received from a range of activities including Accommodation, Catering Conferences (including Summer Programmes) and other services rendered.

*Cambridge Bursary Scheme*

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

The net payment of £173k is shown within the SOCI as follows:

	2019-20	2018-19
	£'000	£'000
Income (see Note 1)	178	183
Expenditure	351	332

**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 is 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.

**Fixed assets***Land and buildings*

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Operational property assets that had been revalued to fair value on 30 June 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives as follows:

Buildings	63-99 years	Fit-Outs	5-34 years
Sports Facilities	67-99 years	M&E services	10-40 years
Outbuildings/workshops	10-46 years		

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

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.

Land held specifically for development, investment and subsequent sale is included in current assets at the lower of cost and net realisable value.

The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £5k 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	20% per annum
Equipment	20% per annum

#### *Leased assets*

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

#### *Heritage assets*

Rare books, silver, works of art and other assets not related to education are valued at the insured value. Assets deemed to be inalienable are not included in the balance sheet. Items of antique furniture and silver have been valued by Cheffins, Auctioneers and Valuers.

#### **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.

#### **Contingent liabilities and assets**

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

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

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

#### **Financial instruments**

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

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

### **Financial assets**

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

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

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

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

### **Financial Liabilities**

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

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

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the

fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

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

### **Taxation**

The College is a registered charity (number 1137541) 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 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 costs**

The College participates in Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution 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 institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

The College also participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The assets of the Scheme are held in a separate trustee administered fund. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the schemes. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The College also offers membership of NOW: Pensions, a defined contribution pension scheme, for non-academic staff and the pension charge represents the amounts payable by the College to the scheme in respect of the employees' service during the year.

### **Employment benefits**

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

### **Reserves**

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

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

### **Critical Accounting Estimates and Judgements**

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

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

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



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

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

Retirement benefit obligations – The cost of defined benefit pension plans, and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 23.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2021. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 23

## Statement of Comprehensive Income and Expenditure For the Year ended 30 June 2020

Statement of Comprehensive Income Year Ended 30th June 2020					Statement of Comprehensive Income Year Ended 30th June 2019				
		2020	2020	2020		2019	2019	2019	2019
	Note	Unrestricted Funds £'000	Restricted Funds £000s	Endowment Funds £'000	Total Funds £'000	Unrestricted Funds £'000	Restricted Funds £000s	Endowment Funds £'000	Total Funds £'000
<b>Income</b>									
Academic fees and charges	1	3,902	178		4,080	3,794	182		3,976
Accommodation, catering and conferences	2	5,445			5,445	6,619			6,619
Investment Income	3	--		688	688	--		905	905
Endowment return transferred	3	1,688	1,385	(3,073)	--	1,575	1,302	(2,877)	--
Other Income		344			344				--
<b>Total Income before Donations &amp; Endowments</b>		<b>11,379</b>	<b>1,563</b>	<b>(2,385)</b>	<b>10,557</b>	<b>11,988</b>	<b>1,484</b>	<b>(1,972)</b>	<b>11,500</b>
Donations		85			85	31			31
New endowments	15-16		125	1,792	1,917		179	2,918	3,097
Capital Grant from Colleges Fund				--	--			--	--
Other capital grants for assets	16		4		4		9		9
<b>Total</b>		<b>85</b>	<b>129</b>	<b>1,792</b>	<b>2,006</b>	<b>31</b>	<b>188</b>	<b>2,918</b>	<b>3,137</b>
<b>Total Income for the year</b>		<b>11,464</b>	<b>1,692</b>	<b>(593)</b>	<b>12,563</b>	<b>12,019</b>	<b>1,672</b>	<b>946</b>	<b>14,637</b>
<b>Expenditure:</b>									
Education	4	4,593	1,247		5,840	4,762	1,228		5,990
Accommodation, catering and conferences	5	9,132			9,132	9,185			9,185
Investment Management & Other investment Costs	3	--		589	589	--		745	745
Other Expenditure	14	(545)			(545)	852			852
Contribution under Statute G, II		19	--	--	19	19	--	--	19
<b>Total Expenditure for the year</b>	6	<b>13,199</b>	<b>1,247</b>	<b>589</b>	<b>15,035</b>	<b>14,818</b>	<b>1,228</b>	<b>745</b>	<b>16,791</b>
<b>Surplus/(Deficit) before investment gains/(losses)</b>		<b>(1,735)</b>	<b>445</b>	<b>(1,182)</b>	<b>(2,472)</b>	<b>(2,799)</b>	<b>444</b>	<b>201</b>	<b>(2,154)</b>
Net gains/(losses) on investments	3	(665)	(26)	2,153	1,462	867	29	3,693	4,589
Net gains/(losses) on disposal of fixed assets		--			--	--			--
<b>Surplus/(Deficit) after gains and losses</b>		<b>(2,400)</b>	<b>419</b>	<b>971</b>	<b>(1,010)</b>	<b>(1,932)</b>	<b>473</b>	<b>3,894</b>	<b>2,435</b>
<b>Other comprehensive Income/(Losses)</b>									
Gains/(losses) on revaluation of fixed assets		20			20	20			20
Actuarial Gain/(loss) in respect of pension schemes	14	(1,409)			(1,409)	(1,221)			(1,221)
<b>Total comprehensive income/(deficit) for the year</b>		<b>(3,789)</b>	<b>419</b>	<b>971</b>	<b>(2,399)</b>	<b>(3,133)</b>	<b>473</b>	<b>3,894</b>	<b>1,234</b>

The notes on pages 60 to 80 form part of these accounts

**Statement of Changes in Reserves**  
**Year ended 30 June 2020**

Statement of Changes in Reserves	Year Ended 30th June 2020				Year Ended 30th June 2019			
	<u>Income and expenditure reserve</u>			<u>Total Reserves</u>	<u>Income and expenditure reserve</u>			<u>Total Reserves</u>
	Unrestricted	Restricted	Endowment		Unrestricted	Restricted	Endowment	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2019	97,688	2,602	53,123	153,413	100,817	2,133	49,229	152,179
Surplus/(Deficit) from Income & Expenditure Statement	(2,400)	419	971	(1,010)	(1,932)	473	3,894	2,435
Other comprehensive Income/Expenditure	(1,389)	--	--	(1,389)	(1,201)	--	--	(1,201)
Revaluation Fixed Assets	--	--	--	--	--	--	--	--
Movement between funds	3	(3)	--	--	4	(4)	--	--
	93,902	3,018	54,094	151,014	97,688	2,602	53,123	153,413

*The notes on pages 60 to 80 form part of these accounts*

**Balance Sheet as at 30 June 2020**

	Note	2020 £'000	2019 £'000
<b>Non Current Assets</b>			
Fixed assets	8	70,009	71,193
Heritage Assets	8	6,103	6,003
Investments	9	99,808	99,828
<i>Total Non Current Assets</i>		<u>175,920</u>	<u>177,024</u>
<b>Current Assets:</b>			
Stocks		45	83
Trade & Other receivables	10	1,852	2,463
Cash & Cash equivalent	11	1,258	2,376
<i>Total current assets</i>		<u>3,155</u>	<u>4,922</u>
<b>Liabilities:</b>			
Creditors: amounts falling due within one year	12	(1,877)	(3,039)
<i>Net current assets</i>		<u>1,278</u>	<u>1,883</u>
<i>Total Assets less current liabilities</i>		<u>177,198</u>	<u>178,907</u>
Creditors: amounts falling due after more than one year - Loans	13	(16,404)	(16,537)
Creditors: amounts falling due after more than one year - Others	13	(920)	(1,074)
<i>Total Long Term Liabilities</i>		<u>(17,324)</u>	<u>(17,611)</u>
<i>Net assets excluding pension liability</i>		<u>159,874</u>	<u>161,296</u>
<b>Provisions</b>			
Pension Provisions	14	(8,860)	(7,883)
<i>Total net assets</i>		<u>151,014</u>	<u>153,413</u>
<b>The funds of the charity:</b>			
<b>Restricted Reserves</b>			
Income & Expenditure Reserves - Endowment	15	54,094	53,123
Income & Expenditure Reserves - Restricted	16	3,018	2,602
<i>Total Restricted funds</i>		<u>57,112</u>	<u>55,725</u>
<b>Unrestricted Reserves</b>			
Income & Expenditure Reserves - Unrestricted		93,902	97,688
Income & Expenditure Reserves - Revaluation Reserve		-.-	-.-
<i>Total Unrestricted funds</i>		<u>93,902</u>	<u>97,688</u>
<b>Total Reserves</b>		<b>151,014</b>	<b>153,413</b>

The financial statements were approved by the Augmented Council on 1<sup>st</sup> December 2020 and signed on its behalf by:

**Prof Susan J Smith, Mistress**

**James Anderson, Bursar**

The notes on pages 60 to 80 form part of these accounts

**Cash Flow Statement**  
**For the year ended 30 June 2020**

	Note	2020 £'000	2019 £'000
Net Cash Inflow from Operating Activities	18	(2,187)	231
Cash Flows from Investing activities	19a	(419)	(568)
Cash Flows from Capital Transactions	19b	1,616	(2,632)
Cash Flows from Financing Activities	20	(128)	(124)
		<u>(1,118)</u>	<u>(3,093)</u>
Increase/(Decrease) in cash and cash equivalent in the year			
Cash and cash equivalent at the beginning of the year		2,376	5,469
Cash and cash equivalent at the end of the year	11	1,258	2,376
<b>Reconciliation of net cash flow to movement in net liquid assets</b>			
Increase/(Decrease) in Cash in the Year		(1,118)	(3,093)
Movement in Long Term Loans		<u>128</u>	<u>124</u>
Net change in Cash		(990)	(2,969)
		<u>(14,290)</u>	<u>(11,321)</u>
Net Cash/Borrowing brought forward			
<b>Net cash/borrowing carried forward</b>	24	<u>(15,280)</u>	<u>(14,290)</u>

*The notes on pages 60 to 80 form part of these accounts*

## Notes to the Accounts

### For the year ended 30 June 2020

1. Academic Fees and Charges	2019-20	2018-19
	£'000	£'000
College Fees		
Fee Income received at the regulated undergraduate rate	2,023	1,949
Fee Income received at the unregulated undergraduate rate	608	589
Fee Income received at the graduate rate	945	852
<b>Total Fees</b>	<b>3,576</b>	<b>3,390</b>
Cambridge Bursaries income	178	183
Other academic income	326	403
<b>Total</b>	<b>4,080</b>	<b>3,976</b>

2. Accommodation, Catering & Conference income	2019-20	2018-19
	£'000	£'000
Accommodation		
College members	2,918	3,621
Conferences	780	1,155
	<b>3,698</b>	<b>4,776</b>
Catering		
College members	576	813
Conferences	263	194
	<b>839</b>	<b>1,007</b>
International Summer Programmes	908	836
<b>Total</b>	<b>5,445</b>	<b>6,619</b>

## Notes to the Accounts

### For the year ended 30 June 2020

3. Endowment & Investment income	2019-20	2018-19
	<u>£'000</u>	<u>£'000</u>
3.a Analysis		
Total return recognised in Income & Expenditure account (3b)	3,073	2,877
3.b Summary of Total Return		
<i>Income from:</i>		
Land & Buildings	--	--
Quoted securities and cash	<u>688</u>	<u>905</u>
<i>Total Income from Investments</i>	<u>688</u>	<u>905</u>
<i>Gains/(losses) from endowment assets</i>		
Lands & Buildings	--	--
Quoted securities & cash	1,462	4,589
Loan interest payable	(419)	(569)
Investment management costs (see note 3c)	(170)	(176)
Total return for the year	<u>1,561</u>	<u>4,749</u>
Total return transferred to Income & Expenditure account (see note 3a)	<u>(3,073)</u>	<u>(2,877)</u>
Unapplied total return for the year included within Income & expenditure	<u>(1,512)</u>	<u>1,872</u>
3.c Investment management costs		
Land & building	--	1
Quoted & other securities & cash	<u>170</u>	<u>175</u>
<i>Total Investment management costs</i>	<u>170</u>	<u>176</u>

4. Education Expenditure	2019-20	2018-19
	<u>£'000</u>	<u>£'000</u>
Teaching	2,685	2,864
Tutorial	770	727
Admissions	651	689
Research	818	851
Scholarships & Awards	598	535
Other educational Facilities	318	324
Total	<u>5,840</u>	<u>5,990</u>

## Notes to the Accounts

### For the year ended 30 June 2020

5. Accommodation, Catering & Conferences Expenditure		2019-20	2018-19
		£'000	£'000
Accommodation	College members	4,500	4,578
	Conferences	2,107	2,144
		<u>6,607</u>	<u>6,722</u>
Catering	College members	1,486	1,489
	Conferences	495	496
		<u>1,981</u>	<u>1,985</u>
International Summer Programmes	544	478	
<b>Total</b>		<u><b>9,132</b></u>	<u><b>9,185</b></u>

6. Analysis of Expenditure by Activity					
		Staff Costs	Other	Depreciati	Total
		(Note 7)	Operating	on	
		£'000	Expenses	£'000	£'000
6.a Analysis of 2019-20 Expenditure					
	Education (Note 4)	3,158	2,416	266	5,840
	Accommodation Catering & Conferences (Note 5)	3,089	4,741	1,302	9,132
	Investment management Costs		589		589
	Pension annual Valuation (USS)		(545)		(545)
	Contribution under Statute G, II		19		19
<b>Totals</b>		<u>6,247</u>	<u>7,220</u>	<u>1,568</u>	<u>15,035</u>
6.b Analysis of 2018-19 Expenditure					
	Education (Note 4)	3,101	2,649	240	5,990
	Accommodation Catering & Conferences (Note 5)	2,884	5,133	1,168	9,185
	Investment management Costs		745		745
	Pension annual Valuation (USS)		852		852
	Contribution under Statute G, II		19		19
<b>Totals</b>		<u>5,985</u>	<u>9,398</u>	<u>1,408</u>	<u>16,791</u>

Expenditure includes fundraising costs of £360k (2018-19: £475k). This expenditure does not include the costs of alumni relations.



## Notes to the Accounts

### For the year ended 30 June 2020

6.c Auditors remuneration included in Other Operating Expenses	2019-20	2018-19
	£'000	£'000
Audit fees payable to the College's External Auditors - Current year	21	20
Other Fees payable to the College's External Auditors	2	4
	<u>23</u>	<u>24</u>

7. Staff costs	College		Total 2020 £'000	Total 2019 £'000
	College Academic 2020 £'000	Non Academic 2020 £'000		
	Salaries	1,546		
National Insurance	135	306	441	414
Other Pension costs (see note 23)	257	645	902	869
<b>Total</b>	<u>1,938</u>	<u>4,309</u>	<u>6,247</u>	<u>5,985</u>

7b Staff Numbers	Average Number 2020		Average Number 2019	
	Number of Fellows	FTE	Number of Fellows	FTE
Staff Number				
Academic	55		59	
Non Academic (FTE)		125		131
<b>Total</b>	<u>55</u>	<u>125</u>	<u>59</u>	<u>131</u>

The number of officers and employees of the college, including Head of House, who received remuneration in the following range was:	2020	2019
£100,001 - £110,000	1	1
During the year, remuneration paid to Trustees in their capacity as College Officers were:	511	425
Key Management Personnel Total remuneration		
<i>Remuneration includes 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.</i>		

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. These are deemed to be Reserved Council members. The note above includes aggregated remuneration paid to key management personnel.

At the balance sheet date, there were 64 members of the Augmented Council. During the year, the average number receiving a remuneration was 55, as shown above.

## Notes to the Accounts

### For the year ended 30 June 2020

8 Fixed Assets								
2019-20 Fixed Asset	Freehold	Freehold	Long	Furniture		Total	2018-19	
	Land	Building	Leasehold	Fittings &	Software			
<i>Original Costs</i>	£'000	£'000	Land &	Equipment	£'000	£'000	£'000	
As at 01-Jul-19	24,400	52,866	Building	308	689	94	78,357	75,725
Additions	--	279	--	54	51		384	2,632
Transfers							--	--
Disposals							--	--
Transfer to heritage Asstes							--	--
Revaluation							--	--
As at 30-Jun-20	<u>24,400</u>	<u>53,145</u>	<u>308</u>	<u>743</u>	<u>145</u>		<u>78,741</u>	<u>78,357</u>
<i>Accumulated Depreciation</i>								
As at 01-Jul-19	--	6,654	49	401	60		7,164	5,756
Charge for the year	--	1,482	6	73	7		1,568	1,408
Disposal in year	--	--					--	--
Written back on revaluation							--	--
As at 30-Jun-20	<u>--</u>	<u>8,136</u>	<u>55</u>	<u>474</u>	<u>67</u>		<u>8,732</u>	<u>7,164</u>
<i>Net Book Value</i>								
As at 30-Jun-20	<u>24,400</u>	<u>45,009</u>	<u>253</u>	<u>269</u>	<u>78</u>		<u>70,009</u>	<u>71,193</u>
As at 01-Jul-19	<u>24,400</u>	<u>46,212</u>	<u>259</u>	<u>288</u>	<u>34</u>		<u>71,193</u>	<u>69,970</u>

Freehold land and Buildings were revalued by Gerald Eve Associates as of 30 June 2014. The properties are valued at depreciated replacement cost.

The insured value of the freehold buildings at 30 June 2020 was £104,989k (2018-19: £97,625k)

8 Heritage Assets	2020	2019
	£'000	£'000
Balance as at 1 July	6,003	5,983
Transfer from Tangible fixed asstes		
Donations	80	--
Appreciation on revaluation	20	20
Balance as at 30 June	<u>6,103</u>	<u>6,003</u>

## Notes to the Accounts

### For the year ended 30 June 2020

<i>Amounts for the Current and previous four y.</i>	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000
Acquisitions purchased with specific dona	--	--	--	--	--
Acquisitions purchased with College funds	--	--	--	--	--
Total cost of acquisitions	--	--	--	--	--
Value of acquisitions by donations	80	--	17	13	--
Total acquisitions capitalised	80	--	17	13	--

9. Investments	2019-20	2018-19
	£'000	£'000
Balance at the beginning of the year	99,828	94,509
Additions	38,630	22,602
Disposals	(45,524)	(17,503)
Appreciation/(Depreciation) on revaluation	6,360	7,737
Increase/(Decrease) in cash balance held by Fund Managers	514	(7,517)
Balance at the end of the year	99,808	99,828
<i>Represented by</i>		
Freehold Land & Buildings	0	0
Quoted Securities - Equities	39	41
Other shares	14	14
Alternative investments	95,624	96,156
Cash held for reinvestment	4,131	3,617
Investments total	99,808	99,828

The College is also the joint beneficiary with another organisation of a trust which owns a number of properties in Ealing, West London. Rental income less expenses is divided equally between the beneficiaries. When tenants vacate the properties, they are sold, and the proceeds of the sales (less expenses) are divided equally between the beneficiaries. At 30 June 2020, the College's share in the remaining property is estimated to be about £250k (gross); this amount is not included within Investment assets.

## Notes to the Accounts

### For the year ended 30 June 2020

	2019-20 £'000	2018-19 £'000
<b>10. Trade and other receivables</b>		
Members of the College	174	147
Other debtors	100	452
Accrued Donations	1,098	1,498
Prepayments & Accrued Income	480	366
<b>Total</b>	<b>1,852</b>	<b>2,463</b>
<b>11. Cash and cash equivalent</b>		
Bank Deposits	399	1,562
Current Account	857	812
Cash in hand	2	2
<b>Total</b>	<b>1,258</b>	<b>2,376</b>
<b>12. Creditors: amounts falling due within one year</b>		
Long term Loans	133	128
Student prepayments	141	106
Other Creditors	1,603	2,805
<b>Total</b>	<b>1,877</b>	<b>3,039</b>
<b>13. Creditors: amounts falling due after more than one year</b>		
Other loans	10,000	10,000
Bank Loans	6,404	6,537
Student prepayments	920	1,074
<b>Total</b>	<b>17,324</b>	<b>17,611</b>

One of the bank loans is due for repayment in 2049 at a fixed interest rate of 5.54%. The other bank loans are repayable over a period of 11 to 12 years at fixed interest rates of between 5.20% and 5.40%.

During 2013-14, the College borrowed £10m from institutional investors in a private placement done collectively with other colleges. Although the College's loan is separate from those of the others. The loans are unsecured and repayable during the period 2043-2053 and are at fixed interest rates of approximately 4.40%.

## Notes to the Accounts

### For the year ended 30 June 2020

The table below gives further details on how the loans contracted by the College were accounted for:

	Interest rate	Repayment date	Balance as at 30-06-20 £'000	Interests 2019-20 (in £'000)	
				Investment Portfolio	Operations
2009 Loan	5.54%	2049	5,000	-.	278
Other bank loans	5.20%-5.40%	2029-2030	1,537	51	34
Other loan	6%	2018	-.	-.	
Bond	4.40%-4.45%	2043-2053	10,000	368	76
<b>Total</b>			<b>16,537</b>	<b>419</b>	<b>388</b>

14. Pension Provision	CCFPS £'000	USS £'000	CEFPS £'000	Total £'000	2018-19 £'000
Balance at beginning of year	6,577	1,290	16	7,883	5,710
<i>Movements in year</i>					
Current service costs including Life insurance	388	(204)	-.	184	1,536
Contributions	(432)	(341)	(4)	(777)	(736)
Other finance costs	149	20	(8)	161	152
Actuarial loss/(gain)	1,409			1,409	1,221
<b>Balance at end of year</b>	<b>8,091</b>	<b>765</b>	<b>4</b>	<b>8,860</b>	<b>7,883</b>

## Notes to the Accounts

### For the year ended 30 June 2020

15. Endowment Funds				
Restricted net assets relating to endowments are as follows:	Restricted	Unrestricted	Total 2019-20	Total 2018-19.
	Permanent Endowment	Permanent Endowment		
	£'000	£'000	£'000	£'000
<b>Balance at beginning of year</b>				
Capital	36,914	16,209	53,123	49,229
Unspent Income	--	--	--	--
	36,914	16,209	53,123	49,229
New donations and endowments	1,505	287	1,792	2,918
Transfer from/to Unrestricted reserves	--	--	--	--
Increase/(Decrease) in market value of investment	(572)	(249)	(821)	976
<b>Balance at end of year</b>	<b>37,847</b>	<b>16,247</b>	<b>54,094</b>	<b>53,123</b>
<b>Represented by:</b>				
Fellowship Funds	20,105	2,293	22,398	22,519
Scholarship Funds	7,108	93	7,201	6,695
Prize Funds	1,097	359	1,456	1,266
Hardship Funds	1,080	133	1,213	1,169
Bursary Funds	5,470	101	5,571	5,253
Travel Grant Funds	364	20	384	388
Other Funds	2,537	3,035	5,572	5,671
General Endowments	86	10,213	10,299	10,162
<b>Total</b>	<b>37,847</b>	<b>16,247</b>	<b>54,094</b>	<b>53,123</b>
<b>Analysis by asset</b>				
Property	--	--	--	--
Investments	37,847	16,247	54,094	53,123

## Notes to the Accounts

### For the year ended 30 June 2020

16. Restricted reserves					
Reserves with restrictions are as follows:	Permanent unspent and other restricted income	Restricted expendable endowment	Capital Grants unspent	Total 2019-20	Total 2018-19
	£'000	£'000	£'000	£'000	£'000
<b>Balance at beginning of year</b>					
Capital	1,478	--	--	1,478	1,272
Accumulated income	872	233	19	1,124	861
	<u>2,350</u>	<u>233</u>	<u>19</u>	<u>2,602</u>	<u>2,133</u>
New grants	--	--	4	4	9
New donations	111	14	--	125	179
Cambridge Bursary Scheme	178	--	--	178	182
Endowment return transferred	1,385	--	--	1,385	1,302
Other investment income	--	--	--	--	--
Increase/(Decrease) in market value of investment	(26)	--	--	(26)	29
Expenditure	(1,195)	(52)	--	(1,247)	(1,228)
Capital grants utilised	--	--	(3)	(3)	(4)
	--	--	--	--	--
<b>Balance at end of year</b>					
Capital	1,653	--	--	1,653	1,478
Accumulated income	1,150	195	20	1,365	1,124
Total	<u>2,803</u>	<u>195</u>	<u>20</u>	<u>3,018</u>	<u>2,602</u>
<b>Represented by:</b>					
Fellowship Funds	1,224	--	--	1,224	1,043
Scholarship Funds	250	--	--	250	265
Prize Funds	34	3	--	37	33
Hardship Funds	170	--	--	170	136
Bursary Funds	479	--	--	479	437
Travel Grant Funds	20	--	--	20	8
Other Funds	610	192	20	822	667
General Endowments	16	--	--	16	13
Total	<u>2,803</u>	<u>195</u>	<u>20</u>	<u>3,018</u>	<u>2,602</u>
<b>Analysis by asset</b>					
Property	--	--	--	--	--
Investments	2,803	195	20	3,018	2,602
Cash	--	--	--	--	--

17. Memorandum of Unapplied Total Return	2019-20	2018-19
	£'000	£'000
Unapplied total return at beginning of year	25,724	23,852
Unapplied total return in the year (note 3b)	(1,512)	1,872
Unapplied total return at end of year	<u>24,212</u>	<u>25,724</u>

## Notes to the Accounts

### For the year ended 30 June 2020

#### Cash flow:

18. Reconciliation of consolidated deficit for the year to net cashflow from operating activities	2019-20	2018-19
	£'000	£'000
<b>Operating Activities</b>		
Operating Surplus/(Deficit)	(2,472)	(2,154)
Donations in kind	(80)	--
Depreciations	1,568	1,408
Provisions	(10)	21
Pension costs less contributions payable	(432)	953
Decrease/(Increase) in Stocks	38	(37)
(Increase)/Decrease in Debtors	611	(416)
Increase/(Decrease) in Creditors	(1,317)	617
<b>Adjustment for Investing or Financing Activities</b>		
Investment Income	(688)	(905)
Investment Costs	170	176
Interests Payable	425	569
Profit on sale of non-current assets		
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>(2,187)</b>	<b>231</b>

19. Cash Flow from Investing Activities	2019-20	2018-19
	£'000	£'000
Investment Property Income	--	(0)
Other Investment Income		
Investment charges	(0)	1
Interests paid	(419)	(569)
<b>Net Cash Inflow/(outflow) from Investing Activities</b>	<b>(419)</b>	<b>(568)</b>
Payment to acquire Tangible Fixed Assets	(384)	(2,632)
Payment to acquire Investment Assets	2,000	--
Payment to acquire Investment Assets (shares)	--	--
Disposal of Tangible Fixed Assets	--	--
Disposals of Investment Assets	--	--
<b>Net Cash Inflow/(Outflow) from Capital Transactions</b>	<b>1,616</b>	<b>(2,632)</b>

20. Cash flow from financing activities	2019-20	2018-19
	£'000	£'000
Long Term loans contracted	--	--
Long Term Loans repaid	(128)	(124)
<b>Net Cash Inflow/(Outflow) from Financing activities</b>	<b>(128)</b>	<b>(124)</b>



## Notes to the Accounts

### For the year ended 30 June 2020

21. Capital Commitments	2020	2019
	£'000	£'000
Commitments contracted for at 30 June	54	66

22. Lease Obligations	2020	2019
	£'000	£'000
Commitments contracted for at 30 June		
Expiring within one year	1,765	1,761
Expiring between two and five years	7,509	7,773
Expiring in over five years	89,671	108,056

### 23 Pension schemes

The college participates in three defined benefit schemes and one defined contribution scheme. The defined benefit schemes are the University Superannuation Scheme (USS), the Cambridge Colleges Federated Pension Scheme and the Church of England Funded Pension Scheme (CEFPS). The defined contribution scheme is NOW: Pensions.

The costs recognised in the Income & Expenditure account for the year were:

Scheme	2019-20	2018-19
	£'000	£'000
USS	341	296
CCFPS	438	454
NOW: Pensions	118	114
CEFPS	5	5
Total	902	869

### University Superannuation Scheme

#### Deficit recovery Liability

The total cost charged to the profit and loss account is £341k (2018-19: £296k).

Deficit recovery contributions due within one year for the institution are £34k (2018-19 £21k).

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

The 2018 valuation was the fifth valuation for 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

## Notes to the Accounts

### For the year ended 30 June 2020

value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

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

**Pension increases (CPI)** Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

**Discount rate (forward rates)** Years 1-10: CPI +0.14% reducing linearly to CPI – 0.73%  
 Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21  
 Years 21 +: CPI + 1.55%

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

#### 2018 valuation

Mortality base table

##### *Pre-retirement:*

71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.

##### *Post retirement:*

97.6% of SAPS SINMA "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.

## Notes to the Accounts

### For the year ended 30 June 2020

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.4	24.5
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

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

	2020	2019
Discount rate	0.73%	1.58%
Pensionable salary growth	1.80%	2.00%

### Cambridge Colleges' Federated Pension Scheme

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

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

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

	2020 % p.a.	2019 % p.a.
Discount rate	1.45	2.25
Increase in salaries	2.70	2.90
RPI assumption	3.10	3.40
CPI assumption	2.20	2.40
Pension increases in payment (RPI Max 5% p.a.)	3.00	3.30
Pension Increases in payment (CPI Max 2.5% p.a.)	1.80	1.90

## Notes to the Accounts

### For the year ended 30 June 2020

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI\_2019 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2019: S3PA with CMI\_2018 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 21.8 years).
- Female age 65 now has a life expectancy of 24.2 years (previously 24.0 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.1 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.6 years (previously 25.5 years).

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

	Male	Female
Active Members – Option I Benefits	65	63
Deferred Members – Option I Benefits	62	60

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

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

	2020 £	2019 £
Present value of plan liabilities	(23,297,989)	(20,760,149)
Market value of plan assets	15,207,208	14,183,485
Net defined benefit asset/(liability)	(8,090,781)	(6,576,664)

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

	2020 £	2019 £
Current service cost	362,256	331,141
Administrative expenses	26,396	26,396
Interest on net defined benefit (asset)/liability	148,712	143,049
(Gain)/loss on plan changes	0	33,397
Curtailment (gain)/loss	0	0
Total	537,364	533,983

## Notes to the Accounts

### For the year ended 30 June 2020

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

	2020 £	2019 £
Present value of plan liabilities at beginning of period	20,760,149	18,062,590
Current service cost	362,256	331,141
Employee contributions	88,704	92,875
Benefits paid	(633,688)	(435,867)
Interest on plan liabilities	464,867	487,173
Actuarial (gains)/losses	2,255,701	2,188,840
(Gain)/loss on plan changes	0	33,397
Curtailement (gain)/loss	0	0
Present value of plan liabilities at end of period	23,297,989	20,760,149

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

	2020 £	2019 £
Market value of plan assets at beginning of period	14,183,485	12,797,839
Contributions paid by the College	432,423	442,748
Employee contributions	88,704	92,875
Benefits paid	(633,688)	(435,867)
Administrative expenses	(44,022)	(41,927)
Interest on plan assets	316,155	344,124
Return on assets, less interest included in Profit & Loss	864,151	983,693
Market value of plan assets at end of period	15,207,208	14,183,485
Actual return on plan assets	1,180,306	1,327,817

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

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

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

## Notes to the Accounts

### For the year ended 30 June 2020

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2020 (with comparative figures for the year ending 30 June 2019) are as follows:

	2020 £	2019 £
Return on assets, less interest included in Profit & Loss	864,151	983,693
Expected less actual plan expenses	(17,626)	(15,531)
Experience gains and losses arising on plan liabilities	(90,832)	(25,975)
Changes in assumptions underlying the present value of plan liabilities	(2,164,869)	(2,162,865)
Remeasurement of net defined benefit liability recognised in OCI	(1,409,176)	(1,220,678)

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

	2020 £	2019 £
Net defined benefit asset/(liability) at beginning of year	(6,576,664)	(5,264,751)
Recognised in Profit and Loss	(537,364)	(533,983)
Contributions paid by the College	432,423	442,748
Remeasurement of net defined benefit liability recognised in OCI	(1,409,176)	(1,220,678)
Net defined benefit asset/(liability) at end of year	(8,090,781)	(6,576,664)

#### Funding Policy

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

The last such actuarial valuation was as at 31 March 2017. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 28 June 2018 and are as follows:

- Annual contributions of not less than £169,569 per annum payable for the period from 1 July 2018 to 31 March 2034.

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

## Notes to the Accounts

### For the year ended 30 June 2020

#### Church of England Funded Pension Scheme (CEFPS)

Girton College (Cambridge) participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SOCIE in the year are contributions payable towards benefits and expenses accrued in that year (2019: £5k, 2018: £5k).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

## Notes to the Accounts

### For the year ended 30 June 2020

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2017 and over 2018 is set out in the table below.

	2019	2018
Balance sheet liability at 1 January	12,000	16,000
Deficit contribution paid	-2,000	-2,000
Interest cost (recognised in SOCIE)	0	0
Remaining change to the balance sheet liability* (recognised in SOCIE)	-6,000	-2,000
Balance sheet liability at 31 December	4,000	12,000

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

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

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

The legal structure of the scheme is such that if another Responsible Body fails, Girton College (Cambridge) could become responsible for paying a share of that Responsible Body's pension liabilities.

#### Defined Contribution Pension Scheme: NOW: Pensions

The College operates a defined contribution pension scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £118k (2018-19: £114k), of which £15k (2018-19 £15k) was outstanding at the year end.



## Notes to the Accounts

### For the year ended 30 June 2020

#### 24. Reconciliation and analysis of net debt

	As at 1 July 2019	Cash Flow	Acquisitions & Disposals of Subsidiaries	New Finance Leases	Non Cash changes	Change in Market Value & Exchange rates	As at 30 June 2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	2,376	(1,118)					1,258
<b>Borrowings:</b>							
amounts falling due within one year							
Unsecured loans	(128)	(5)					(133)
Amounts falling due after more than one year							
Unsecured loans	(16,537)	133					(16,404)
Total	(14,289)	(990)	--	--	--	--	(15,279)

#### 25. Financial Instruments

	2019-20	2018-19
	£'000	£'000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments		
Other investments	95,676	96,211
<i>Financial assets that are equity instruments measured at cost less impairment</i>		
Other equity investments		
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	5,389	5,992
Other debtors	274	599
<b>Financial liabilities</b>		
<i>Financial liabilities measured at amortised cost</i>		
Loans	(16,537)	(16,665)
Trade creditors	(660)	(614)
Other creditors	(1,515)	(2,500)

## Notes to the Accounts

### For the year ended 30 June 2020

#### 26. Related Parties

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

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

During the year no fees or expenses were paid to Fellows in respect of their duties as Trustees. Fellows are remunerated for teaching, research and other duties within the College. Fellows are billed for any private catering. The Trustees remuneration is overseen by the Remuneration Committee

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

From	To	2020	2019
		Number	Number
£0	£10,000	3	5
£10,001	£20,000	7	2
£20,001	£30,000	2	3
£30,001	£40,000	1	--
£40,001	£50,000	3	1
£50,001	£60,000	--	--
£60,001	£70,000	--	--
£70,001	£80,000	--	--
£80,001	£90,000	1	2
£90,001	£100,000	--	--
£100,001	£110,000	--	--
£110,001	£120,000	--	--
£120,001	£130,000	--	--
£130,001	£140,000	--	--
	<b>Total</b>	17	13

The total Trustee salaries were £397,311 for the year (2018-19: £322,825)

The aggregate amount of other benefits, employer national insurance and employer pension contributions paid or payable during the year was £116,728 (2018-19: £95,929)

#### Contingent Liabilities

With effect from 16 March 2007, the University Superannuation Scheme (USS) positioned itself as a "last man standing" scheme, so that in the event of an insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employer.