



QUEENS' COLLEGE, CAMBRIDGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2021

QUEENS' COLLEGE, CAMBRIDGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2021

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QUEENS' COLLEGE, CAMBRIDGE

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 30th JUNE 2021

The full name of the College is "The Queen's College of St Margaret and St Bernard, commonly called Queens' College in the University of Cambridge". The College is a corporate body consisting of the President, Fellows and Scholars.

The Governing Body, which consists of the President and the Fellows, with four student observers, holds at least six meetings each year. The Governing Body met ten times in the year to which this report relates. The President, Professorial Fellows and Official Fellows are the voting members of the Governing Body and, since the Governing Body exercises general control and management of the College, its voting members are the trustees of the charity.

*President

Dr M A El-Erian
The Rt Hon. Prof. Lord Eatwell³

Life Fellows

Prof. A C Spearing
Dr B A Callingham
Prof. J E Carroll
Revd Dr B L Hebblethwaite
Dr J T Green
Dr W A Phillips
Prof. A. N. Hayhurst
Dr C J Pountain
Prof. Lord Oxburgh, KBE FRS FREng
Revd Canon J C Polkinghorne⁺²KBE,FRS
Prof. J Diggle, FBA
His Hon. Judge Bridge⁺¹
Prof. K F Priestley
Revd Dr J M Holmes
Dr H J Field
Dr C N Pitelis
Dr A D Cosh
Prof. D R Ward
Prof. J L Scott
Dr M J Milgate
Dr I K Patterson
Dr E G Kahrs
The Rt Hon. Prof. Lord Eatwell⁴
Dr R D H Walker⁴

*Professorial Fellows

Prof. E A H Hall, CBE
Prof. A N Lasenby
Prof. D.K. Menon
Prof. R W Prager, FREng

*Official Fellows

Prof. R R Weber
Prof. J A Jackson, CBE FRS
Prof. R G Fentiman
Prof. P H Haynes, FRS
Prof. D Cebon, FREng
Prof. R L Jones
Dr A H Gee
Dr J W F Allison
Prof. B J Glover

Prof. R A W Rex
Prof. C E Bryant
Dr M P V Crowley
Prof. J C Muldrew
Dr J W P Campbell
Dr H R N Jones
Prof. M J Dixon
Dr A C Thompson
Prof. J R Gog
Prof. A A Seshia
Prof. E M Terentjev
Dr I Sitaridou
Dr A Zurcher
Dr A M Rossi
Mr J Spence
Dr G J McShane
Dr H J Stone
Prof. M Edmonds
Dr J J Maguire
Dr G M Fraser
Dr L S Tiley
Dr T S Butlin
Prof. R Nickl
Dr J W Kelly
Mr S J Price
Prof. A C Rice
Dr E Moyroud
Dr D J Butterfield
Dr A Paterson
Dr E Gallo
Dr F I Paddeu
Revd T C Harling
Mr R M C Kitt
Dr S Haggarty
Dr C J Bickerton
Dr C Brendon
Dr D J Parker
Dr G Denyer Willis
Dr E McPherson
Dr M E B Tait
Dr C Warnick
Dr A Marsham
Dr J Blundell
Prof. A Beresford

Dr P McMurray
Dr T Denmead
Mr A D Bainbridge
Revd M Bayliss
Prof. N D Lawrence
Dr J Garrison⁴
Dr G Atkins⁴

Bye-Fellows

Dr R D H Walker³
Dr A D Challinor
Dr G H Treece
Dr R M Faragher
Dr T Forster
Dr G Atkins³
Dr T J Eggington
Dr J Garrison³
Dr J R Bellis
Dr C Hill
Dr A Schmidt
Dr A C Bonner
Dr J M Rodriguez
Dr P Bambrough
Dr C Clark
Dr C Peñasco Patón
Dr L Davies⁵

Research Fellows

Dr C Penney
Dr C Proudman
Dr R Lawlor
Dr R Van Rosenbergen⁴
Dr E Noterman⁴

Emeritus Fellows

Dr A M W Glass
Prof. J Russell
Prof. A M Gamble

¹ Obit 12 September 2020

² Obit 9 March 2021

³ To 30 September 2020

⁴ From 1 October 2020

⁵ From 1 April 2021

*Charity Trustees

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Senior Officers

President	Dr M A El-Erian
Vice-President	Professor M Edmonds
Senior Bursar	Mr J Spence
Acting Senior Tutor	Professor M J Dixon (to 18 th March 2021)
Senior Tutor	Dr A C Thompson (from 19 th March 2021)

PRINCIPAL COMMITTEES

Bursarial Committee

Dr M A El-Erian, President
Professor M Edmonds, Vice-President
Mr J Spence, Senior Bursar
Mr A D Bainbridge, Domestic Bursar
Dr A C Thompson, Senior Tutor
Mr R M C Kitt, Development Director
Dr D J Butterfield
Professor E A H Hall
Professor R L Jones
Dr A D Marsham
Dr F I Paddeu
Professor R A W Rex
Professor A C Rice
Dr I Sitaridou
Professor R R Weber

Fellowships Committee

Dr M A El-Erian, President
Dr A C Thompson, Senior Tutor
Mr J Spence, Senior Bursar
Professor B J Glover
Professor P Haynes
Professor R W Prager
Professor E Terentjev
Dr M P V Crowley
Dr G Denyer Willis
Dr A M Rossi
Dr A Zurcher

Investments Committee

Dr M A El-Erian, President
Professor M Edmonds, Vice-President
Mr J Spence, Senior Bursar
Professor M J Dixon, Dean of College
Professor D Cebon
Dr A H Gee
Professor R R Weber
Mrs A Koerling (Queens' Alumna)
Mr A Pomfret (Queens' Alumnus)
Dr R Ramaswamy (Queens' Alumnus)

Teaching and Learning Committee

Dr A C Thompson, Senior Tutor
Dr J R Garrison, Admissions Tutor
All Directors of Studies of the College
Tutors charged with Admissions
Admissions Co-ordinator
Graduate Administrator

Tutorial Committee

Dr M A El-Erian, President
Dr A C Thompson, Senior Tutor
Professor M J Dixon, Dean of College
All Tutors of the College
Revd T C Harling, Dean of Chapel
Mr A D Bainbridge, Domestic Bursar

Graduate Committee

Professor E A H Hall
Deputy Senior Tutor/Senior Tutor
All Graduate Tutors of the College
Mr A D Bainbridge, Domestic Bursar
Student Support Team Representative
Representative for part-time courses
MCR President
MCR Secretary/Vice President
Post-Doctoral Research Associates Convenor
MPhil Representative
Graduate Administrator

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FOR THE YEAR ENDED 30th JUNE 2021

GOVERNING BODY ATTENDANCE LIST 2020 - 2021

ON LEAVE 2019-2020:

Dr G M Fraser
Dr T S Butlin

ON LEAVE 2020-2021:

Prof. J A Jackson (Easter 2021)
Prof. R L Jones
Prof. J C Muldrew
Prof. J R Gog
Dr L S Tiley
Dr J W Kelly
Prof. B J Glover
Dr D J Butterfield (Michaelmas 2020)
Dr J Blundell (Michaelmas 2020)

11 Governing Body Meetings took place between 1 July 2020 – 30 June 2021.
Fellows' attendance was recorded as follows:

The Rt Hon. Prof. Lord (10/7/2020)	1/1	Prof. R Nickl	8/11
Dr M A El-Erian	10/10	Dr T S Butlin	8/11
Prof. R R Weber	11/11	Mr S J Price	10/11
Prof. J A Jackson	7/8	Prof. A C Rice	11/11
Prof. R G Fentiman	9/11	Dr E Moyroud	6/11
Prof. P H Haynes	11/11	Dr D J Butterfield	8/8
Prof. D Cebon	11/11	Dr A Paterson	9/11
Prof. E A H Hall	11/11	Dr M E B Tait	11/11
Prof. R W Prager	10/11	Dr E Gallo	5/11
Prof. A N Lasenby	10/11	Dr F I Paddeu	10/11
/11Dr A H Gee	10/11	Mr R M C Kitt	11/11
Dr J W F Allison	10/11	Revd T C Harling	11/11
Prof R A W Rex	11/11	Dr S Haggarty	9/11
Prof C E Bryant	11/11	Dr C J Bickerton	7/11
Dr M P V Crowley	8/11	Dr C Brendon	8/11
Dr J W P Campbell	11/11	Dr D J Parker	10/11
Dr H R N Jones	8/11	Dr G Denyer Willis	10/11
Prof. M J Dixon	10/11	Dr E McPherson	10/11
Prof. D K Menon	10/11	Dr G Atkins	11/11
Dr A C Thompson	10/11	Dr C Warnick	11/11
Prof. A A Seshia	9/11	Prof. A Beresford	11/11
Prof. E M Terentjev	9/11	Dr A Marsham	10/11
Dr I Sitaridou	11/11	Dr J Blundell	7/8
Dr A Zurcher	11/11	Dr T Denmead	10/11
Dr A M Rossi	6/11	Dr P McMurray	11/11
Mr J Spence	11/11	Mr A D Bainbridge	11/11
Dr G J McShane	11/11	Dr J Garrison	11/11
Dr H J Stone	8/11	Revd M Bayliss	10/11
Prof. M Edmonds	11/11	Prof. N D Lawrence	10/11
Dr J J Maguire	11/11		

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PROFESSIONAL ADVISORS

Auditors

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

Actuaries

Cartwright Group Ltd
Suite 7, 2nd Floor, The Hub, IQ Farnborough
Farnborough
Hampshire
GU14 7JP

Bankers

National Westminster Bank plc
23 Market Street
Cambridge
CB2 3PA

Investment Fund Managers

Heronbridge Investment Management LLP
1 Queen Street
Bath
BA1 1HE

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Property Advisors

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Carter Jonas LLP
6 – 8 Hills Road
Cambridge
CB2 1NH

Solicitors

Mills & Reeve LLP
Francis House
112 Hills Road
Cambridge
CB2 1PH

CHARITY INFORMATION

Charity Registration 1137495

Registered Address Silver Street, Cambridge CB3 9ET

Website www.queens.cam.ac.uk

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STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisation

Queens' College, Cambridge is a self-governing academic community and body corporate, comprising the President, Fellows and Scholars and is one of the thirty-one Colleges in the University of Cambridge. The provisions which regulate the purposes and administration of the College are to be found in its Royal Charter, dated 30th March 1448, and its Statutes, as made in 1955 and variously amended from time to time, most recently in 2017.

The Governing Body

The Charity Trustees of the College are the voting members of the Governing Body, being its President, Professorial Fellows and Official Fellows, appointed by the Governing Body in accordance with the Statutes of the College. The membership of the Governing Body is given on page 3 to 5.

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

Under the College Statutes, the Governing Body has the discretion to form committees to consider and to make recommendations to the Governing Body in accordance with the College's Statutes. The Governing Body also has the discretion to delegate powers to committees. The Governing Body has formed a number of committees, the principal ones being:-

- **Bursarial Committee** – to oversee the financial management of the College in accordance with the College Statutes, under the overall direction of the Governing Body. In accordance with the College Statutes, the Senior Bursar, advised by the Bursarial Committee, is responsible for the financial management of the College, subject to the overall direction of the Governing Body. The Bursarial Committee, without the Bursars, acts as an Audit Committee;
- **Investments Committee** – to keep under continual review the investments of the College, against agreed benchmarks, to recommend [and implement] the investment policy approved by the Governing Body, to maintain consultation with the College's financial advisors;
- **Fellowships Committee** – to consider and advise the Governing Body on the general needs of the College in relation to appointments to Fellowships, in all classes, in accordance with the Statutes of the College;
- **Teaching and Learning Committee** - to review all aspects of College teaching and its relationship to University teaching and to make recommendations accordingly to the Governing Body;
- **Tutorial Committee** – to review and consider general issues pertaining to the welfare of students of the College and to advise the Governing Body on all matters of policy pertaining to student welfare.
- **Graduate Committee** – to review and consider general issues pertaining to all aspects of being a Graduate student within the College.

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These Committees are a key component of the College's system of internal control, which is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the extent and nature of those risks and to manage them efficiently, effectively and economically. These Committees undertake detailed scrutiny of the issues which the Governing Body has placed within their respective remits and this work informs the recommendations each Committee makes to the Governing Body. This process was in place for the year ended 30th June 2021 and up to the date of approval of the financial statements. The Governing Body is responsible for ensuring the effectiveness of the systems of internal control: all the above Committees make regular reports to the Governing Body through the medium of detailed minutes, as well as dedicated reports. During the year, all Governing Body meetings were held remotely via Zoom.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Senior College Officers and other College Officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Induction and Training of Members of the Governing Body

Upon admission to the Fellowship, new members of the Governing Body receive, inter alia:-

- A copy of the College Statutes
- A copy of the most recent Annual Report and Accounts
- A copy of procedures and policies relating to the College
- An up-to-date list of College Officers, Committees and their membership
- A copy of the Charity Commission's guide to the responsibilities of a Charity Trustee (both the full and summary versions)
- A copy of Being a Trustee (the Charity Commission's easy read guidance, which explains the main things that a Trustee needs to know)
- Copies of minutes of previous meetings of the Governing Body and its principal committees
- A declaration of qualifications to be a Trustee (to be signed and held by the College)
- A list of all diary dates relevant to membership of the Governing Body
- Information about the management of conflicts of interest
- The latest circulars from the Charity Commission
- A copy of the latest Corporate Risk Register

Each new member has an induction meeting with the Senior Bursar, prior to attending a meeting of the Governing Body.

Attendance of Trustees at meeting of the Governing Body during the year is given on page 5.

Key Management

As detailed in note 7 to the accounts, the key management personnel are the President, Senior Bursar and Senior Tutor. These Officers have the authority and responsibility for planning, directing and controlling the activities of the College. These Officers, together with the Vice-President, Admissions Tutor, Deputy Senior Tutor, Domestic Bursar, Dean of College, Dean of Chapel, who is also the Head of Welfare, The Financial Tutor the Development Director and the Chair of the Graduate Committee meet regularly to consider strategic matters and developing issues as they arise to assist in formulating the College's response. During the Covid pandemic this group has met weekly.

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Risk Management

The Governing Body is committed to an ongoing policy of identifying, monitoring and managing the risks that might adversely affect the operations and reputation of the College. The Bursarial Committee, chaired by the President, reviews at least twice each year the operational, financial, regulatory and legal risks facing the College, (including reviewing the Corporate Risk Register) and reports accordingly to the Governing Body. The Governing Body keeps under review the structures to deal with risk and is satisfied that appropriate structures are in place to identify, manage and mitigate the risks faced by the College.

The principal areas of risk faced by the College, and the measures taken to manage them, have been identified by the Governing Body as follows and are covered in detail in the Corporate Risk Register mentioned above:

- **Financial Performance:** Risks to income, expenditure or investment performance as a result of external factors, eg a health emergency, change to fee regime, economic downturn, poor investment markets, low interest rate environment, impact of a health pandemic.

The College has implemented a robust process of budgeting and forecasting to keep costs associated with the College's core activities under constant review in the light of any changes in funding or other income sources. The College's Investments Committee benefits from the expertise from three external members and aims to maintain a diversified portfolio of investment assets to try to minimise the incidence of correlation between asset classes.

- **Academic Staff:** Failure to attract and retain high quality academic staff to deliver the College's teaching and other academic needs.

The College has an ethos of supportive inter-personal relationships within the Fellowship, service from welfare and other support staff and pastoral support arrangements allowing Directors of Study/Supervisors to retain focus on intellectual engagement. The College regularly reviews its stipend structures and benchmarks appropriately within the Collegiate University and is continually monitoring terms and benefits. There is a regular review of teaching needs and engagement in the UTO Scheme, where possible.

- **Student Admissions:** Adverse admissions outcomes in terms of potential, commitment, width of participation and/or compliance failures.

The College has a transparent process with academic criteria uniformly applied across all fields and University-trained interviewers. The College runs an extensive outreach programme.

- **Student Development:** Failure to enable students to flourish academically.

Academic reviews conducted by the students' Directors of Studies, alongside analysis of students' questionnaire feedback by the Senior Tutor. Academic and pedagogical best practice encouraged by regular review, at the Teaching and Learning Committee. Benchmarking against other Colleges via the Senior Tutor's Committee and direct liaison with both the JCR and MCR Committees, Cambridge University Student Union and Graduate Union where necessary. Engagement with the Office for Students as PREVENT regulator.

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- Student Welfare: Risk of failures of student welfare and/or pastoral support leading to mental health, safeguarding or monetary issues for students.

The College has extensive in-house pastoral and welfare provision together with access to additional external expertise.

- Buildings, Infrastructure and Facilities: Risk of poor-quality accommodation and facilities due to lack of timely investment, unanticipated failures in infrastructure or unexpected high building maintenance expenditure.

The condition of the estate is regularly monitored by the Maintenance Department, as well as by reference to maintenance requests and complaints, and there is a continuous programme of maintenance and refurbishment. The IT and other infrastructure is subject to regular review and a rolling investment programme. This is monitored by both the Domus Committee and the Bursarial Committee.

Scope of Financial Statements

The financial statements are a consolidation of the results of Queens' College and its subsidiaries, QC Enterprises Limited and Q College Property Limited, which are both wholly owned by the College. Q College Property Limited has continued to be non-trading during the year. QC Enterprises is the corporate vehicle through which the College undertakes its commercial conference and catering activities, while the College undertakes directly all other accommodation and catering activities. Any financial surplus made by QC Enterprises is donated to the College.

AIMS AND OBJECTIVES OF THE COLLEGE

The College is an institution of higher education. Its purposes are the promotion of study and prayer.

The College has the following aims and objectives:

- to maintain the College's emphasis on the individual in academic and pastoral provision; to deliver an excellent undergraduate education by safeguarding the provision of small-group teaching through the College-based supervision system; and to achieve and maintain the highest standards in education at both undergraduate and postgraduate levels while maintaining welfare support through the dedicated student support team;
- to support a community of Fellows, students and staff, allowing the benefits of a large, internationally renowned University to be realised in a small and close-knit community;
- to promote academic research of the highest quality by Fellows and students;
- to maintain and enhance the endowments and benefactions, historic buildings and grounds of the College for the benefit of future generations.

Remaining an independent foundation, forming part of a collegiate university, is fundamental to the College's long-term strategy. The College endorses the University's mission and core values and agrees that the partnership between the University and the Colleges is central to Cambridge's future development. The College will continue to play an active role in University bodies and in contributing to the formulation of University policy.

In pursuit of its aims and objectives, as well as its charitable objects, the College admits (as junior members) undergraduate and graduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its aims and objects and it supports teaching and research in the University. In furtherance of its objects, the College maintains and manages an endowment of property and financial assets. Besides financial and tutorial support, the College also supplies accommodation, catering and other services to its members and others.

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PUBLIC BENEFIT STATEMENT

In accordance with its Royal Charter of 1448, the College's charitable objects are the promotion of study and prayer through the provision of a College in the University of Cambridge.

The College provides, in conjunction with the University of Cambridge, an education for some 521 undergraduate and 418 full-time and 129 part-time graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

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

The College additionally advances study through:

- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- supporting research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from outside the University of Cambridge; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library (including important special collections), so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Cambridge more widely, as well as external scholars and researchers.

The College carries forward the tradition, continuous since its foundation, of being a place of prayer. In particular, the College:

- Maintains and supports the Chapel as a place of prayer and holds a variety of religious services on week days and at weekends during term, which are open to the general public and visitors.
- Supports, through the College Chaplaincy team, the emotional, mental and spiritual well-being of all members of the College community whatever their faith tradition, or none.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in study.

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However, beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The services in the College Chapel are open to the public and are attended by local residents and visitors to Cambridge.

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REVIEW OF OPERATIONS

Students

Queens' admits students who have the greatest potential to benefit from the educational environment provided by the College and the University and it recruits academic staff who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

Undergraduate student applications are shown in the table below, showing the level of diversity of students attending Queens'. About one fifth of undergraduate students are from overseas (including EU) backgrounds:

Applicants in Michaelmas Term 2020

- Number of applicants 923
- Arts 345 or 37%; Science 578 or 63%
- Male 54%, female 46%
- Home/EU 77%; overseas 23%
- Office for Fair Access (OFFA ***) applicants – maintained sector 414 or 64%; independent sector 234 or 36%

Offers in 2020

- Number of offers 180 (20% of applicants)
- State educated 72%, independent educated 28% (of home offers)
- Male 53%, female 47%
- OFFA applicants – 109 offers to maintained sector students from 419 applicants (26%) plus 3 open offers
- 16 offers made through the pool and 36 of our applicants received offers through the pool

*** OFFA applicants are defined broadly as applicants normally resident within the UK.

The above outcomes are entirely consistent with the College's objectives in respect of admissions.

The College charges the following fees:

- Home and EU undergraduates are charged a combined University and College fee of £9,250, (£9,250 2018-2019), of which the College share is £4,625 (£4,625 2018-2019)
- Undergraduates from overseas are charged a College fee of £9,279 (£9,009 2018-2019)
- Graduates are charged a combined University and College fee which varies according to the course. The total fee income is then allocated across Colleges at an equal average rate per student which for 2020-2021 is £4,069 (£3,909 2019-2020).
- Accommodation and meal charges at reasonable rates.

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Widening Participation

The College's extensive widening participation programmes help young people from backgrounds which are traditionally under-represented at Cambridge to have the confidence to apply to top universities, including Cambridge. We work hard to provide age-relevant information and guidance about higher education and, in particular, to demythologise the application process at Cambridge. Work with those in years 12 and 13 targets the application process and supports super-curricular discovery. Key stage 4 students receive advice on A level selection and early preparation, while younger pupils are encouraged to think about the benefits of higher education more generally and to broaden their horizons. We work with teachers and careers advisors to guide them in how our application process works and to identify the qualities that we look for in our students. Our programme includes events for schools and those, such as Open Days, with a focus on individual applicants. Our Admissions team make visits to schools and colleges across the UK, and host groups in Cambridge. We have particular links with Bradford, Kent and the borough of Havering. We update our events programme regularly and are always looking for ways to enhance our offering and to work effectively with external partners. Our programme typically includes visit days, open days, personal statement and interview workshops and residential events. Since March 2020 all of this activity has been delivered virtually. Among the several ways in which we measure the impact of our outreach work, the growth in applications, and therefore admissions, from schools with which we work closely stands out. Within total admissions and access costs of £0.35 million shown on page 42, £0.065 million was spent on Access and Widening Participation activity in the year. The College continues to regard Widening Participation as an essential activity and will continue to support and enhance it further.

Student Support

In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University and other Colleges bursary support for those of limited financial means. In 2020/2021, 115 undergraduates (out of our 450 Home/EU undergraduates) (2019/2020: 107 and 467 respectively) received such bursaries with a total value of £371,228 (2019/2020: £340,042). The scheme is approved by the Office for Students and provides benefits at a substantially higher level than the minimum OFS requirement. It is widely advertised, on the University website, on College websites and in the Admissions Prospectus. The College spent £124,493 on additional bursaries in 2020/2021 (2019/2020: £143,441).

The College also supports all students through a grant scheme open to all to assist with attendance at conferences, and travel grants. In 2020/2021 the College spent £16,358 on this scheme (2019/2020: £24,469).

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship. In 2020/2021 the College made hardship grants totalling £58,784 (2019/2020: £134,092). In 2020/2021 the College raised £261,410 through donors who supported the Covid-19 Student Support Fund, which played a vital part in the College's continued efforts to support students affected by the crisis, covering accommodation and travel support, furniture and IT equipment, totalling a current spend of £167,945.

Provision of Welfare Support

The Health and Well-being team and Tutors provide specialist and professional care for students of the College. This consists of (although is not restricted to) general pastoral provision, Professional counselling, Cognitive Behavioural Therapy, mental and physical health support, bereavement counselling, eating disorder interventions and a series of programmes to help the move from school to university which brings with it increased independence.

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More mental health issues are reported in today's culture. This may be due to the problem increasing, the reduced stigma in articulating problems, feelings and medical conditions, or a raised expectation that institutions have a responsibility to act and support its members with the conditions they have. Welfare provision that individual Colleges provide are widely compared by students and applicants and is seen as a key indicator of the "student experience".

Students from disadvantaged backgrounds may have additional concerns or issues that require support. Welfare, in this way, is part of the Colleges commitment to increase access for all.

The Health and Well-being team work alongside the Tutors of the College in providing pastoral support to students. Overall responsibility for this activity rests with the Senior Tutor, however the day-to-day management is devolved to the Head of Welfare (operationally) and the Head of Academic and Tutorial Services (administratively).

The Head of Health and Well-being also acts as the College Safeguarding Officer, one of the Harassment and Assault Officers, Police Liaison Officer and Deputy Head of Prevent and Dean of Chapel.

At present (in addition to the above roles) the College employs a part time Clinical Lead (also one of the Harassment and Assault Officers), a part time Mental Health Nurse/Welfare Officer/CBT Counsellor, a part time Welfare Officer and Counsellor, and a Chaplain (part of whose job is as a Welfare Officer). There is also a third Harassment and Assault Officer who can be used in complex cases.

Where more specialist treatment is needed this is organised with professionals on a contracted basis by the Health and Well-being team. This, in the past, has included Psychiatric Services, Psychological practitioners, Scientific Coaching, Essay writing guidance, physical trainers, legal advice and physiotherapists.

Academic Staff

In order to fulfil its charitable purposes, the College employs College Lecturers, Tutors, Clergy and senior academic and administrative officers. These posts are qualifying offices under the College Statutes. The appointment of Fellows is a result of their employment in a qualifying office which office is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows occurs solely through their employment in a relevant qualifying office by means of salaries, stipends and employment related benefits and is objectively reasonable, measured against academic stipends generally; moreover, annual pay increases normally follow national settlements applying to the university sector, as implemented by the University of Cambridge. Without the employment through qualifying offices of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

The President and Fellows of the College also receive benefits as beneficiaries. These comprise research grants, conference grants, book grants etc. These benefits are provided with the intention of furthering the College's aims. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to other beneficiaries of the College.

Academic Performance

In 2020/2021, 500 (472 2019/2020) undergraduates sat University assessments and examinations. Examinations this year were a mixture of formats, from some traditional timed exams through to various windows in which to take open-book assessments which varied in length from 6 hours to 2 weeks. Of those

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taking assessments 89.8% obtained grades in the First Class or the upper division of the Second Class (or in the undivided Second Class).

Capital Expenditure and Maintenance

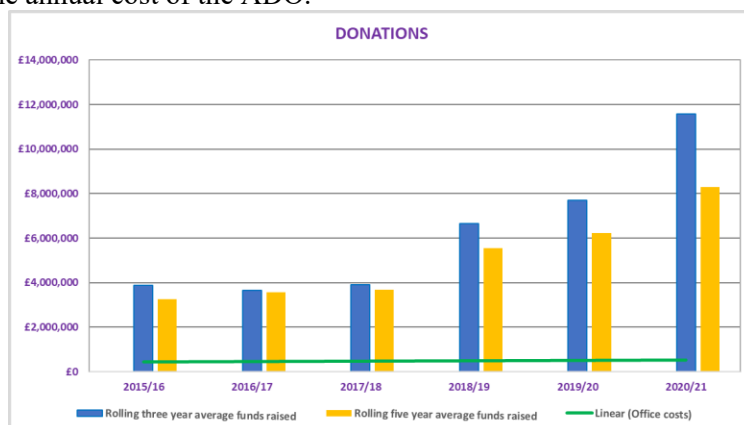
The College has a continuing financial commitment to the maintenance of its operating assets. With the onset of the Covid-19 pandemic and the considerable financial uncertainties the College faced, the College decided to restrict capital expenditure on buildings to those works which were either relating to health and building safety (fire risk works) or a critical need to undertake the work. Consequently, in 2020/2021 the College spent only £0.739 million in capital projects maintaining and enhancing its buildings and their environs, which is the lowest figure since 2003. Works undertaken included essential fire risk works in the President's Lodge.

The College undertook a minimal level of work in relation to its ongoing programme of refurbishing the College's main site accommodation, as well as its operational properties elsewhere in the city, to improve the quality of the accommodation it provides its undergraduates and graduates as well as complying with changing legislative requirements and improving, where possible, energy efficiency. It is hoped this long-term programme will be able to be resumed in the next financial year.

Donations and Fundraising

The College's fundraising efforts are primarily directed at raising money from our alumni. Our fundraising approach ensures that we understand and respect individual preferences for contact in relation to approaches seeking support, as well as more generally. Key objectives for the College include teaching, particularly endowing Fellowships, research, student support, widening participation as well as enhancing the endowment. The College is very grateful to those of its alumni and others who continue to support it so generously and enhanced their support as the College responded to the impact of the Covid-19 pandemic. In 2020/2021 the College received unrestricted donations totalling £3,401,000, new expendable restricted funds £7,825,000 and new endowments totalling £4,443,000 giving a total of £15,669,000 (£6.24 million 2019/2020) in support of its objectives. Included within the total there is a very large, single donation of £6,400,000 which may only be spent on specified building projects.

The cost of the Alumni and Development Office (ADO), a College department, for the year was £465,711 compared to £541,563 in 2019/2020. The ADO costs include both fundraising and alumni relations activity, such as reunions and other events and publications. This year there have been no 'in person' events held and this is the principal reason for the reduction in costs. As the amount received can vary significantly from year to year, the chart below details the three and five-year rolling average of donations received, as well as the annual cost of the ADO.



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All fundraising is carried out by the ADO, which reports detailed quarterly results to the Bursarial Committee and a summary report to the Governing Body. The College is registered with the Fundraising Regulator and was not the subject of any complaints to that body in 2020/2021, nor did the College receive complaints about its fundraising activities from any other source. The College does not seek support from the public and takes active steps to respect the needs of any potential supporter who may be in a vulnerable circumstance or require additional care and support to make an informed decision.

Data handling

The College continues to monitor its data handling, reporting and Data Protection Statement in accordance with the GDPR requirements.

Equal Opportunities

The College is committed to the principle and practice of equal opportunities and strives to be an equal opportunities employer.

Impact of the Covid-19 Pandemic on the College's Operations

The Covid-19 pandemic has had a profound impact on the College's operations, both academic and non-academic. In this year it was possible for most students to be resident in Cambridge for the Michaelmas and Easter Terms, however only c20% of students were resident in Lent Term during the post-Christmas restrictions imposed by HM Government. Directors of Studies and Supervisors continued to provide teaching to all undergraduates through various media, such as Zoom or Microsoft Teams, as there were more limited face-to-face teaching opportunities than would usually be the case. The situation evolved continuously during the year as did the response of the academic staff.

The Senior Tutor and his team ensured all students were kept fully informed as the University and College developed their responses to the pandemic and were as prepared as they could possibly be in the unprecedented circumstances in which everyone was placed. The Tutors and Student Support Team were in touch with all those students who needed support. Thanks to the very generous support from Alumni, £220,000 of additional funds were available to provide practical support in terms of equipment, software and other Licences and other means of support to enable students to maintain their ability to study away from the College and assist with any issues that arose while resident.

Prior to the pandemic the College provided accommodation to approximately 650 students during term, with 463 of those being accommodated on the Silver Street Site. One of the consequences of the pandemic is that it will no longer be possible for students to share sets of rooms, unless specifically built for that purpose. With the changes required to the provision of accommodation under the various health rules and guidelines, the College was able to provide accommodation to approximately 590 students, with 414 being on the Silver Street site. Steps have been taken to mitigate this to a limited extent and 421 students can be accommodated on the Silver Street Site going forward.

During the course of this year the College has been able to purchase further housing within Cambridge sufficient to provide accommodation for c645 students for the forthcoming year.

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The College has had, for many years, a thriving external conference and catering business. This has been a major contributor to the College's overheads. This activity came to an abrupt halt with the pandemic, with the last external event being held on Thursday 12th March 2020. There have been no further events since this date and, with the absence of most students for significant periods of this year, the level of activity for the "household operations" within the College has been for some periods minimal. The College's non-academic staffing has historically been designed to address the needs of both its students and the high staff requirements to meet the needs of conferences in the vacations with the fast turnaround times required. The College faced a secular change in its operating environment with likely significant reductions in the level of demand for conferences and catering events for the foreseeable future. This is a structural change, and the College restructured its operations to meet the changed needs post Covid-19 and, as reported in last year's Annual Report, there were unfortunately 16 voluntary redundancies amongst our non-academic staff. For a number of members of staff in the "Household Operations" there was a reduction in the hours of work for one year commencing on 1st October 2020 and this will end on 1st October 2021.

All the College's offices have remained operational during the pandemic. Staff have mainly been able to work from home and the College's infrastructure has enabled this remote working to occur without significant disruption to effectiveness or the control environment. Most offices have had a staff presence on site during some days of each week to deal with those matters which could not be dealt with remotely. As we recover from the impact of Covid-19, the College will review the lessons to be learnt from the recent experience and seek to strengthen further its infrastructure and operating processes to ensure its continued resilience in the face of future unexpected events or similar pandemics. It is possible some form of agile working will be in place for those roles where it is possible.

In common with many employers, the College made use of the Government's Coronavirus Job Retention Scheme (CJRS) at various periods during the pandemic particularly the long vacation of 2020 and Lent Term 2021 as there was significantly reduced levels of activity in the College. The maximum number of non-academic permanent staff who were furloughed under the CJRS was 99 out of a total staff complement of 143 or 68% of our permanent staff.

The financial impact of the Covid-19 pandemic is discussed in the Financial Review below.

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FINANCIAL REVIEW

In common with other organisations, the financial year to 30 June 2021 has been a particularly challenging one in highly uncertain economic circumstances, as the Covid-19 pandemic and the public health measures to combat it have greatly affected the College. The College has continued to pursue its principal goals of providing a first class educational and research environment to undergraduates, postgraduates, and Fellows alike, whilst striving to live within its means and manage the challenges and uncertainties presented by the pandemic.

Financial Results

The College had an Operating Deficit, before New Endowments of £829,000 (2019/2020: -£1,341,000) and included £3,063,000 of donations of a revenue nature, or unrestricted in respect of their capital, principally in support of education compared to similar donations in the previous year of £957,000.

The surplus after new endowments amounted to £3,614,000 (2019/2020: £1,116,000) with new endowments totalling £4,443,000 (2019/2020: £2,457,000) in support of various of the College's activities, including funds for fellowships and teaching, studentships, bursaries, and hardship funds. There are also £7,825,000 (2019/20: £2,825,000) of restricted donations, which are fully expendable. A significant part of these expendable donations (£6,400,000) must be spent on building projects, but the balance is in support of education, particularly supporting postgraduate scholarships (a new development for the College), the College's Post-Doctoral Research Associates Programme and Widening Participation initiatives.

Year ended 30 th June	2021 £m	2020 £m	2019 £m	2018 £m	2017 £m
Operating Income	13.42	13.97	15.04	14.54	14.03
Expenditure	<u>14.25</u>	<u>15.31</u>	<u>15.72</u>	<u>14.36</u>	<u>13.21</u>
Operating (Deficit) Surplus	(0.83)	(1.34)	(0.68)	0.18	0.82
New Endowments	<u>4.44</u>	<u>2.46</u>	<u>7.90</u>	<u>1.63</u>	<u>1.27</u>
Restricted Donations	7.83	2.83	2.45	-	-
Total Surplus before Other Gains and Losses	3.61	3.95	9.67	1.81	2.09

The Operating Deficit includes investment income from the Endowment and investment assets of £2,921,000 (2019/2020: £3,683,000), while any realised gains or losses for the Endowment and investment assets are included in Other Gains and Losses.

The Operating Deficit of £829,000 is realised after charging depreciation of £2,482,000 (2019/2020: £2,368,000). The depreciation charge has more than tripled in the last ten years, and now almost reflects the true annual cost to the College of maintaining and enhancing its operational properties, including the College site at Silver Street. Adding back the depreciation charge and other non-cash items in the Income and Expenditure account, such as pension deficit provisions and any underspend on Restricted Funds, is a reasonable proxy for the cash the College has generated.

This year the College shows as part of its comprehensive Income and Expenditure account other gains and losses relating to investments assets. This was a gain of £14,415,000 (2019/2020: £9,514,000 loss) and a decrease in pension liabilities of £2,108,000 (2019/2020: £2,054,000 liability increase), the total surplus is £27,214,000 (2019/2020: £7,628,000 deficit).

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There are several matters to draw to your attention:

- The impact of the pandemic is dealt with in a separate section below;
- Investment income was at a reduced, but satisfactory, level compared to the previous year's all-time high where the last month of the year saw increased levels of distribution from private equity investments which, as we indicated last year, should be treated as a one-off event;
- Approximately 55% of investment income is dedicated to the principal education activities of the College;
- The deficit on the Education Account was £2,820,000 (2019/2020: £3,100,000 deficit), before taking account of the investment income designated for education;
- The net deficit on the Education Account, after the designated investment income, was £1,779,000 (2019/2020: £1,065,000), this is equal to 1.5 times the unrestricted investment income (2019/2020: 65%);
- This effectively means over recent years all the investment income has been devoted to the education of current students;
- The College's accommodation, conference and catering activities showed a deficit of £4,054,000 (2019/2020: £2,498,000 deficit). This area was the most affected by the pandemic as discussed below;
- The lack of external revenue from conference and catering and significantly diminished income from students not being in residence for long periods during the year has affected the College adversely.

Funding of the College

Queens' College is funded from several sources as follows:

Year ended 30 th June	2021	2020	2019	2018	2017
Academic Fees	31.4%	29.4%	25.0%	26.4%	26.5%
College Accommodation	17.4%	18.6%	23.9%	23.7%	23.8%
College Catering	1.3%	5.3%	6.6%	6.8%	7.2%
Conference Activities (including Catering)	0.0%	9.8%	10.8%	11.0%	9.9%
Investment Income	21.8%	26.3%	13.6%	16.5%	18.0%
Donations	25.3%	7.0%	18.5%	14.4%	13.0%
Other	2.8%	3.6%	1.6%	1.2%	1.6%

The above table excludes new endowments and restricted expendable donations from the calculations. Future income from the new endowments will appear as Investment Income.

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Impact of Covid-19 on Financial Results

The impact on the College's results for this financial year is principally on the income side and particularly in respect of accommodation, catering, and conference revenues. These revenues in 2020/21 totalled £2.543 million compared to £4.713 million last year. In Lent Term 2020 the number of students resident in College accommodation was only 20% of the usual number. The numbers in residence did increase from mid-April, but this achieved only an occupancy level of 75% for the last quarter. With various restrictions applying to our catering activities, income from students was only 20% of the previous year's. There was no external revenue from catering and conferences this year. The College has received approximately £318,000 from the Government's Job Retention Scheme in this financial year.

On the expenditure side, additional costs have arisen, particularly in respect of providing additional support for students and enabling Fellows and Supervisors to provide remote supervisions. Much of this additional expenditure has been met through generous donations of our Alumni, for which the College is very grateful.

Balance Sheet

The net tangible assets of the College stood at £143.05 million compared to £115.84 million in 2020. The increase is caused by the rise in investment assets' capital values, expendable restricted donations being held in cash ahead of deployment and a 13% fall in the pension liability under FRS 102.

There was no increase in the level of debt issued by the College and the gearing ratio is 16.1% compared to 19.8% last year. The change in gearing ratio is solely a function of the change in net tangible assets.

Main Endowment and Investment Assets

The College, as a long-term investor, has a medium risk appetite for the management of its investments. While risk parameters are agreed with the College's Fund Managers, there are no ethical restrictions placed on the investments that may be made, save that the Managers are required to have due regard to a company's environmental, social and governance record.

The market value of the main Endowment and Investment Assets at 30th June 2021 stood at £135.27 million (2019/2020: £110.27 million). This figure includes £9.83 million (being the residual of the £15 million proceeds of a 40-year unsecured private placement issue), £11.06 million of cash donations and other monies for operational property investment and other restricted expendable donations of £2.36 million; when this is excluded the investment assets stand at £112.01 million (2019/20: £93.32 million).

Year ended 30th June	2021	2020	2019	2018	2017
	£mn	£mn	£mn	£mn	£mn
Closing position previous years Endowment & Investment Assets	93.32	91.23	89.46	86.17	75.93
New Endowments & unspent Endowment Income from previous year invested	4.11	11.59	1.62	1.27	3.08
Opening Position	97.43	102.82	91.08	87.44	79.01
Closing Position Endowment & Investment Assets	112.01	93.32	91.23	89.46	86.17
Investment Income Received	2.92	3.68	2.04	2.39	2.53
Gains (Losses)	14.42	(9.50)	0.15	2.02	7.16
Total Return	17.34	(5.82)	2.19	4.41	9.69

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The portfolio was invested in Global Equities, including our Custom Index Carbon Free holdings, (41%), residential property and agricultural estates (22%), cash (6%), UK gilts and overseas corporate bonds (3%), Multi-Asset Funds which have a significant exposure to quoted equities, including holdings in the Cambridge University Endowment Fund, (18%) and the balance in the recognised alternative asset class of private equity. It should be noted that the private equity investments are unquoted and shown at managers' estimated value on a "marked to market" basis. During the year the College has increased its holding in ESG funds and has invested in key themes for the future, including clean energy, healthcare, automation, and digital intelligence. It will continue to rebalance the portfolio in future years away from purely geographic allocations to "thematics" with a long-term horizon.

The College's direct investment property assets have been re-valued during the year.

The total recorded return on the investment assets in the year was 17.79% (2019/2020: -5.66%). It should be noted that Queens' only uses its Actual Income in its day-to-day operations. The College does not drawdown any of its investment gains, but accumulates them within reserves as it is, relatively speaking, an under-endowed College.

The College takes a long-term view of the investment portfolio and attempts to protect its value in real terms and, as a result, to strike an equitable balance between the interests of the present members of the College and future generations. Any new donations or bequests received during the year are added to Unrestricted Funds, unless the donor has made it clear that the funds are to be spent on a particular project.

Future Capital Projects

In 2021/2022 the College, as part of its adjustment to the financial realities arising from the Covid-19 pandemic, will only continue with capital expenditure which is deemed to be critical for the maintenance of the estate or where there is an assessed fire risk or health and safety risk which will be addressed promptly.

Long Term Debt Issue

The significant projects in 2014 and 2015 were funded, as previously reported, using the proceeds of an unsecured long-term debt issue in which the College participated with 18 other Colleges. The College's share of the issue was £8 million, with an average life of 34 years, at an effective rate of 4.42% per annum fixed for the duration of the loan. Although issued through a funding vehicle, the College has no responsibility for the obligations of any other of the issuing Colleges. This issue was a good example of the Cambridge Colleges working well together for a common purpose.

In January 2018, the College raised a further £15 million through a private placement. This is unsecured, at a fixed rate of interest of 2.62% per annum with repayment in one amount after 40 years. This fixed rate funding will be used to invest in further operational assets for the College to house more of its graduate students and to eradicate some historic anomalies in the provision of undergraduate accommodation. As reported last year, the project at Mill Lane was terminated by the University. The College has this year utilised £5.16 million of the proceeds to acquire revenue generating operational properties within the City of Cambridge. The College will use the balance of the proceeds in support of specific, revenue generating operational asset projects within the existing estate.

The issued debt has a gearing covenant (maximum 50% of net tangible assets) and a negative pledge. The College is comfortably within its covenants. This debt appears as a long-term liability on the balance sheet.

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Pension Funds

The College participates in two pension schemes detailed below.

The College's academic staff are members of the Universities Superannuation Scheme and the issues and challenges facing this Scheme, and the College's staff who are members of it, have been well publicised. The effect of the FRS102 adjustment in respect of this Scheme, following completion of the latest valuations, in the Income and Expenditure Account this year is a debit of £10,000 (2019/2020: £318,000 credit).

The Cambridge Colleges Federated Pension Scheme (CCFPS), a pension scheme exclusively for non-academic staff, has its full liability recorded in the balance sheet under FRS102. The deficit shown this year has reduced by £2,108,000 (2019/2020: £2,054,000 increase). The decrease in the deficit is driven principally by a higher discount rate (like that of two years ago) used to calculate the present value of the scheme's liabilities. There is an additional adverse impact in the staff costs shown in the Income and Expenditure account of £633,000 (2019/2020: -£394,000) arising from FRS102. The College is currently reducing its pension liability under the scheme with additional contributions over an eleven-year period.

The effect of the above changes in respect of both Schemes is a positive balance sheet movement of £1.47 million (2019/2020: -£2.05 million).

Reserves Policy

The Governing Body, in approving these accounts, has adopted the reserves policy and target reserves as detailed below.

A reserves policy ensures that the College has sufficient financial resources to continue, but also constrains the extent to which reserves are built up from operating surpluses to help maintain intergenerational equity and balance the needs of current and future students.

Free reserves represent the unrestricted general funds of the College. The calculation involves analysis of the composition of the total reserves shown in the Balance Sheet, after adding back any provisions for pension liabilities. The following categories are excluded: Special Trust Funds, permanent restricted endowment, restricted funds and fixed and heritage assets. Net free reserves are after deducting the provision for pension liabilities.

Total Reserves	2021	2020	2019	2018	2017
	£mn	£mn	£mn	£mn	£mn
Total Reserves (including Pension Provision)	152.9	127.2	132.7	121.1	115.4
Less: Restricted Reserves	91.2	69.8	69.3	72.4	68.3
Less: Fixed & Heritage Assets	39.5	38.0	38.3	38.6	36.6
Free Reserves	22.2	19.4	25.1	10.1	10.5
Less: Pension Provision	9.9	11.3	9.2	7.2	7.7
Net Free Reserves	12.3	8.1	15.9	2.9	2.8

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The College's target reserves are as follows:

Reserve	Target Reserve	Rationale
Contingency Income & Expenditure	£8.99 million	Contingency to cover extreme/unexpected shortfall in income or additional extreme/unexpected expenditure – equivalent to 18 months accommodation conference and catering income being the average of the last three non-pandemic years
Emergency Building Repair Contingency	£1.75 million	To fund unexpected urgent repairs to buildings in the estate eg roof failures, etc. equivalent to 5% of buildings as fixed assets
Total	£10.74 million	

As of 30th June 2021, the College's free reserves were £12.3 million (2019/20 £8.1 million) compared with a target reserve of £10.74 million. The significant factor which will affect future reserves is the continuing direct impact of the Covid-19 pandemic on the College's operations and the yet unclear general economic fallout, particularly in respect of the financial and other markets in which the College has invested. This level of reserves, which is above the target, enables the College to consider carefully and react appropriately in the event of further, unforeseen extreme circumstances or a significant prolongation of the pandemic.

The College is focusing on maximising income and donations, managing costs, effective use of restrictive income from Special Trust Funds, permanent restricted endowment and other restricted funds, and investing in the endowment and investment assets in order to recover from the impact of the pandemic and maintain and enhance its free reserves.

The College needs to maintain and enhance its unrestricted reserves as it is one of the measures of its relative financial strength in terms of its pension obligations as well as for its external funders. The Governing Body will keep the reserves policy under review and consider the need for further specific reserves from time to time as circumstances change.

Response of the College to the Continuing Impact of the Covid-19 Pandemic

The Governing Body has considered carefully the possible continuing impact of Covid-19 on the College's finances in the new financial year and beyond. At meetings in June 2021, it considered a base case scenario of normal student numbers in residence but no external revenue from conference and catering activity. In other words the academic activities within the College are as near to normal as possible. A reduced level in both donations and investment income from market investments, as the economic impact of the pandemic plays out, with an assumed very gradual recovery from year 2.

The base case scenario was over a four-year time horizon and showed the College being able to return to cash generation and a surplus over the period. The Governing Body also considered two downside sensitivity analyses, with the severe case assuming three terms over two years of lost accommodation and catering income from students and no external revenue of any description. An upside scenario of a relatively swift recovery was also considered. The Governing Body also considered the College's holdings of cash and other liquid assets.

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The budget for the new financial year was adopted based on the base case scenario. The structural changes to the operating environment, discussed in last year's Report, particularly in respect to external revenue generation, are still very much in evidence.

Going Concern and Viability

The Governing Body has assessed the viability of the College and its subsidiaries over the duration of the scenario planning exercise. The Governing Body considered and approved the detailed budget for the forthcoming year, and the actions required by it, as part of the review and have concluded there is a reasonable expectation that there are adequate resources, including the strength to operate and meet the liabilities of the College as they fall due over the period of the assessment and for the foreseeable future.

Principal Risks and Uncertainties

The principal risks and uncertainties that the College faces in the forthcoming year may be briefly summarised:

- the ongoing effects of Covid-19 and global economic uncertainties may have a significant effect on the College's revenue streams and on the markets in which the College invests. It is possible that capital values will be highly volatile and investment income may be adversely affected. Investment capital losses would affect adversely the College's level of free reserves;
- The pandemic continues and prompts further lockdowns such that most students are not in residence and the College, including its principal education activities, operates remotely. This would reduce dramatically one revenue stream. The College would seek to minimise outgoings during such a period. The College has a specific reserve for this matter;
- Unforeseen events disrupt the College's education and other activities such as to prevent the College from operating;
- although the College has a long-term programme of building renewal and improvement, it is always possible with buildings of the age of the College's estate that there will be unexpected issues that may arise. The College keeps under review the conditions of the fabric to identify further issues and enable them to be addressed on a timely basis. The College has also maintained a detailed remedial programme of works on the buildings in the estate. There is a specific reserve for this matter;
- the volatility in investment markets could be one of the factors that may give rise to a deterioration in the pension liability and a consequential adverse impact on the College's free reserves;
- a continuing low interest rate environment may also adversely affect both investment markets and pension obligations;
- the continuing failure of academic fees to keep up with the rise in academic costs, as well as the inevitable uncertainties with a potential significant change to the funding of Universities in England, mean that the funding and costs associated with the College's core activity will need to be kept under constant review.

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Future Plans

The Covid-19 pandemic has been a severe shock to the College and its business model of many years standing. The removal at a stroke of £2 million in revenues it might usually expect to receive with no external business of any kind has been a significant challenge.

Consequently, during 2021 the College will undertake a review of its strategy and strategic imperatives under a “Five Pillars” approach. This is to build on and significantly enhance the College’s current position in all aspects of its activities.

The Five Pillars being considered and to which approaches are being developed with the diverse participation of Fellows are; 1) Fostering the intellectual society; 2) Strengthening financial resilience and long-term viability; 3) Removing obstacles to even broader access and participation; 4) Ensuring a coherent, enabling, and sustainable infrastructure (both physical and technological); 5) Enhancing efficient, representative and accountable governance.

The Five Pillars approach reflects the interdependencies within the College’s activity and need to ensure they are aligned, coherent and consistent to strengthen the College for the future. They also allow for exploiting synergies and efficiencies.

As part of the “Five Pillars” review, the College will also continue to develop plans for raising funds, including to enhance significantly the College’s endowment to enable it to continue achieving its objectives. As such, the College may amend its agreed strategic priorities for fundraising which were approved by the Governing Body in 2010. Currently, the College focuses principally on raising permanent capital funds for fellowships and teaching and funds to augment further support for students the core activity of the College, and unrestricted funds, so the College may continue to invest in the future and strengthen its financial position.

The College is looking to enhance both the resilience and agility of its operating practices, including by being able to deploy staff resources where there is greatest need and maximising the flexibility of our response as circumstances change.

Conclusion

The College’s financial position can be described as challenging and by no means comfortable; there is a great deal to be done to secure properly the long-term future of the College especially for the continued provision of teaching and research excellence, providing for postgraduate students and refurbishing and enhancing the historic and other operational buildings.

As mentioned above, the College will also need to consider additional revenues from other sources, especially in the light of a pandemic stopping one revenue stream at a stroke. The College will endeavour to work as efficiently as possible and maintain its resilience within the context of being an academic community. The College will regularly review its position as circumstances unfold, against its projections and its scenario planning model, to ensure it responds appropriately, proportionately and on a timely basis to the situation in which it may find itself. Our Base Case Scenario over the next few years is a return to generating cash and achieving an operating surplus.

QUEENS' COLLEGE, CAMBRIDGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

In the medium term, the College needs to increase its endowment from all sources by at least £100 to £150 million from its current position. The College will also continue to control costs and manage resources to best effect to support its principal objective of providing a first-class education. It is not at all certain that academic fees will be increased adequately to meet the full costs of educating our undergraduates and, indeed, there is a possibility they may be reduced. The College needs to plan and act accordingly.

There is no doubt that the very challenging environment in which the College has operated in the last year will continue for the foreseeable future as there are considerable uncertainties arising from the impact of Covid-19 and the situation can change very rapidly. The College will strive to use its resources wisely and efficiently in these difficult circumstances.

On behalf of the Governing Body

Dr M A El-Erian
President

Mr J Spence
Senior Bursar

QUEENS' COLLEGE, CAMBRIDGE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

The Governing Body is responsible for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards.

The Bursarial Committee has day to day responsibility, under the overall direction of the Governing Body, for ensuring that there is an effective system of internal control and that accounting records are properly kept in accordance with the College's Statutes. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University, for approval by the Governing Body 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 Governing Body is required to:

- select suitable accounting policies and then apply these 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.

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

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

Any system of internal control, however, is designed to manage rather than eliminate risk and can only provide reasonable, not absolute, assurance against failure to achieve policy aims and objectives and material misstatement or loss.

The Governing Body 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 GOVERNING BODY

FOR THE YEAR ENDED 30th JUNE 2021

Opinion

We have audited the financial statements of Queens' College (the 'College') for the year ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 2021 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report 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

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30th JUNE 2021

statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinion on other matters prescribed by the Statutes of the University of Cambridge

In our opinion based on the work undertaken in the course of the audit:

- The contribution due from the College to the University has been 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Review of Operations and Financial Review.

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:

- 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 Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 28, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the 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.

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30th JUNE 2021

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items; and
- In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's (and the College's) ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the College's legal advisors.

QUEENS' COLLEGE, CAMBRIDGE

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY

FOR THE YEAR ENDED 30th JUNE 2021

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the College's Governing Body 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 Governing Body 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 Governing Body 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
CB1 2LA
Date:

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

FOR THE YEAR ENDED 30th JUNE 2021

Basis of preparation

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

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

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.

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 16. Intra-group balances are eliminated on consolidation.

A separate balance sheet and related notes for the College are not included in the accounts because the College's subsidiary company is a conference and banqueting trading company which donates its profits to the College each year. The balance sheet for the College alone would not be materially different to the one included in the accounts.

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.

Grant income

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

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

Donations and endowments

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

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30th JUNE 2021

Donations and endowments (continued)

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

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

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

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

Investment income and change in value of investment assets

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

Other income

Income is received from a range of activities including accommodation, catering conferences, job retention scheme grant income and other services rendered.

Cambridge Bursary Scheme

In 2020-2021, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, Cambridge University reimbursed the SLC for the full amount and each College paid their portion (based on their own eligible students) to the University.

The net payment of £120,521 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£118,895
Expenditure	£340,042

Foreign currency translation

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

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2021

Fixed assets

Land and buildings

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

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

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

Freehold 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 economic lives of 25-50 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.

The cost of additions to operational property shown in the balance sheet includes the cost of land. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10% per annum
Motor vehicles and general equipment	20% per annum
Computer equipment	33.33% per annum

Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1st July 1999 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Fixed asset 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.

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.

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2021

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2021

Statement of Principal Accounting Policies

Financial Instruments (continued)

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 1137495) 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 GII of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The liability for the year

QUEENS' COLLEGE, CAMBRIDGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2021

as advised to the College by the University is 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 two funded defined benefit pension schemes, Cambridge Colleges Federated Pension Scheme (CCFPS) and the Universities Superannuation Scheme (USS)

Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the Fellows' or employees' services.

Universities Superannuation Scheme (USS)

Throughout the current and preceding periods, the Universities Superannuation Scheme was a defined benefit only pension scheme until 31st March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated 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 and therefore, as required by Section 28 of FRS102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. 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 College also recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

Cambridge Colleges Federated Pension Scheme (CCFPS)

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

Employment benefits

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

Reserves

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2021

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 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 page 33.

Investment property – Properties are revalued to their fair value at the reporting date by Carter Jonas and Bidwells. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions.

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in pages 36.

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 pages 54 - 59.

QUEENS' COLLEGE, CAMBRIDGE

Consolidated Statement of Comprehensive Income and Expenditure

FOR THE YEAR ENDED 30 JUNE 2021

		2020-21				2019-20			
	Note	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
INCOME									
Academic fees & charges	1	4,212			4,212	4,111			4,111
Accommodation, catering and conferences	2	2,543			2,543	4,713			4,713
Endowment and investment income	3	1,193	1,094	634	2,921	1,648	1,197	838	3,683
Other income		344			344	504			504
Total income before donations and endowments		8,292	1,094	634	10,020	10,976	1,197	838	13,012
Donations		3,401	7,825		11,225	957	2,825		3,782
Deferred Capital write back					0				0
New endowments			0	4,443	4,443		0	2,457	2,457
Capital grants from colleges fund					0				0
Other capital grants for assets			0		0		0		0
Total income		11,692	8,919	5,077	25,688	11,933	4,023	3,295	19,250
EXPENDITURE									
Education	4	5,991	407	634	7,032	5,713	661	838	7,211
Accommodation, catering and conferences	5	6,597			6,597	7,211			7,211
Other expenditure		594			594	855			855
Contribution under Statute G, II		28			28	33			33
Total expenditure	6	13,210	407	634	14,250	13,811	661	838	15,310
Surplus (deficit) before other gains and losses		(1,517)	8,512	4,443	11,438	(1,878)	3,362	2,457	3,940
Gains(loss) on disposal of fixed assets	8	(761)			(761)				0
Gains(loss) on investments	9	5,962	884	7,582	14,428	(4,194)	(426)	(4,894)	(9,514)
Surplus (deficit) for the year		3,685	9,396	12,025	25,106	(6,072)	2,936	(2,437)	(5,573)
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		0			0	0			0
Actuarial gain(loss) in respect of pension schemes	15	2,108			2,108	(2,054)			(2,054)
Total comprehensive income for the year		5,792	9,396	12,025	27,214	(8,127)	2,936	(2,437)	(7,628)

The notes on pages 44 to 59 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE

Statement of Changes in Reserves Year Ended 30th June 2021

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
Balance at 1 July 2020	£'000	£'000	£'000	£'000
Opening balance	46,043	12,445	57,348	115,836
Change of Fund Classification	0	0	0	0
Surplus/(Deficit) from income and expenditure statement	3,685	9,396	12,025	25,106
Other comprehensive income	2,108	0	0	2,108
Release of restricted capital funds spent in year	0	0	0	0
Balance at 30th June 2021	51,835	21,841	69,373	143,050

	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
Balance at 1 July 2019	£'000	£'000	£'000	£'000
Opening balance	54,170	9,509	59,785	123,463
Change of Fund Classification	0	0	0	0
Surplus/(Deficit) from income and expenditure statement	(6,072)	2,936	(2,437)	(5,573)
Other comprehensive income	(2,054)	0	0	(2,054)
Release of restricted capital funds spent in year	0	0	0	0
Balance at 30th June 2020	46,043	12,445	57,348	115,836

The notes on pages 44 to 59 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2021

	Note	2021 Group £'000	2020 Group £'000
NON CURRENT ASSETS			
Fixed assets	8	39,488	38,027
Heritage Assets	8	103	103
Investments	9	135,271	110,267
Total non-current assets		174,863	148,397
CURRENT ASSETS			
Stocks	10	436	449
Trade and other receivables	11	2,161	3,299
Cash and cash equivalents	12	207	267
Total current assets		2,803	4,015
Creditors: amounts falling due within one year	13	1,747	2,242
Total Assets less current liabilities		175,919	150,170
Creditors: amounts falling due after more than one year	14	(23,000)	(23,000)
Provisions			
Pension provisions	15	(9,869)	(11,335)
Other provisions		0	0
Total net assets		143,050	115,836
Restricted reserves			
Income and expenditure reserve-endowment reserve	17	69,373	57,348
Income and expenditure reserve-restricted reserve	18	21,841	12,445
Unrestricted Reserves			
Income and expenditure reserve-Unrestricted		51,835	46,043
TOTAL RESERVES		143,050	115,836

The notes on pages 44 to 59 form part of these accounts

These accounts were approved by the Governing Body on 01 October 2021 and signed on their behalf by

Dr M A El-Erian
President

Jonathan Spence
Senior Bursar

QUEENS' COLLEGE, CAMBRIDGE

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2021

		2021	2020
	Note	£'000	£'000
Net cash inflow from operating activities	19	13,045	10,120
Cash flows from investing activities	20	(12,358)	(9,538)
Cash flows from financing activities	21	<u>(747)</u>	<u>(624)</u>
Increase/(decrease) in cash equivalents in the year		(60)	(43)
Cash and cash equivalents at beginning of the year		267	310
Cash and cash equivalents at end of the year	12	<u>207</u>	<u>267</u>

The notes on pages 44 to 59 form part of these accounts

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

1 Academic fees and charges

	2021	2020
	£000	£000
Fee income received at the Regulated undergraduate rate	2,529	2,475
Fee income received at the unregulated undergraduate rate	288	228
Fee income received at the Graduate rate	1,227	1,250
Other Income	168	157
	<u>4,212</u>	<u>4,111</u>

2 Income from accommodation, catering and conferences

Accommodation:	College members	2,344	2,600
	Conferences and banquets	22	494
Catering:	College members	177	746
	Conferences and banquets	0	873
Total		<u>2,543</u>	<u>4,713</u>

3 Endowment and investment income

3a Analysis

	2021	2020
	£000	£000
Income from:		
Land and buildings	488	528
Quoted securities	2,143	2,833
Fixed interest securities	16	16
Income from short-term investments	3	56
Other interest receivable	272	251
Total	<u>2,921</u>	<u>3,683</u>

3b Investment management costs

	2021	2020
	£000	£000
Land and buildings	(78)	127
Quoted securities - equities	(88)	62
Fixed interest securities	0	0
Other investments	0	0
Cash	0	0
Total	<u>(165)</u>	<u>190</u>

4 Education expenditure

	2021	2020
	£000	£000
Teaching	3,200	3,103
Tutorial	1,662	1,792
Admissions	351	503
Research	303	305
Scholarships and awards	797	781
Other educational facilities	719	727
Total	<u>7,032</u>	<u>7,211</u>

5 Accommodation, catering and conferences expenditure

Accommodation, catering and conferences expenditure		2021	2020
		£000	£000
Accommodation:	College members	4,920	4,362
	Conferences and banquets	45	806
Catering:	College members	1,623	1,014
	Conferences and banquets	8	1,028
Total		6,597	7,211

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

6a Analysis of 2020/2021 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	3,928	2,254	849	7,032
Accommodation, catering and conferences	3,532	1,433	1,632	6,597
Other	348	274	0	622
	7,808	3,960	2,482	14,250

Expenditure includes fundraising costs of £314,006 and £151,765 on alumni relations.

6b Analysis of 2019/2020 expenditure by activity

	Staff costs (note 7)	Other operating expenses	Depreciation	Total
	£000	£000	£000	£000
Education	3,704	2,695	812	7,211
Accommodation, catering and conferences	3,516	2,139	1,556	7,211
Other	396	492	0	888
	7,616	5,327	2,368	15,310

Expenditure includes fundraising costs of £341,570 and £199,993 on alumni relations.

6c Auditors' remuneration

	2021 £000	2020 £000
Other operating expenses include:		
Audit fees payable to the College's external auditors	33	32
Other fees payable to the College's external auditors	0	0

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

7 Staff costs

Consolidated	Academic	Non- academic	Total 2021 £000	Total 2020 £000
	£000	£000	£000	£000
Staff Costs:				
Emoluments	1,674	4,187	5,862	6,119
Social security	141	296	437	490
Pension	289	1,220	1,509	1,007
	<u>2,105</u>	<u>5,704</u>	<u>7,808</u>	<u>7,616</u>
	Average staff numbers 2021 Number of Fellows	Full-time equivalents	Average staff numbers 2020 Number of Fellows	Full-time equivalents
Academic	61		59	
Non-academic		117		117

At the Balance Sheet date there were 65 members of the Governing Body. During the year the average number receiving remuneration was the 61 shown above.

The number of officers and employees of the College, including Head of House, who received emoluments in the following ranges was

	2021	2020
£100,001 - £110,000	1	1
£110,001 - £120,000	0	0

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.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College.

The aggregated remuneration paid to key management personnel consists of salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

The President, Senior Bursar, and Senior Tutor are the College's key management personnel.

	Total 2021 £'000	Total 2020 £'000
Key management personnel aggregated remuneration	367	358

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

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

8 Fixed assets

	Land and buildings £000	Assets in construction £000	Equipment £000	Heritage Assets £000	2021 Total £000	2020 Total £000
Cost or valuation						
At beginning of year	54,453	2,518	2,537	103	59,611	57,767
Additions at cost	6,272	5	187	0	6,464	2,128
Revaluation of asset	0	0	0	0	0	0
Transfer	0	0	0	0	0	0
Disposals	(558)	(2,523)	(475)	0	(3,556)	(285)
At end of year	60,167	0	2,249	103	62,518	59,611
Depreciation						
At beginning of year	20,232	0	1,249	0	21,481	19,398
Charge for the year	2,018	0	463	0	2,482	2,368
Eliminated on Disposal	(560)	0	(475)	0	(1,035)	(285)
Written back on revaluation	0	0	0	0	0	0
At end of year	21,690	0	1,237	0	22,927	21,481
NET BOOK VALUE						
At end of year	38,477	0	1,011	103	39,591	38,130
At beginning of year	34,221	2,518	1,288	103	38,130	38,370

The insured value of freehold land and buildings as at 30 June 2021 was £167m (2020: £162m).

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

8 Tangible fixed assets (continued)

Heritage assets

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

As stated in the statement of principal accounting policies, heritage assets acquired since July 2005 have been capitalised. However the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of the cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result the total included in the balance sheet is partial.

Amounts for the current and previous years were as follows:

	2021	2020	2019	2018	2017
	£000	£000	£000	£000	£000
Acquisitions purchased with specific donations	0	0	0	0	0
Acquisitions purchased with College funds	0	0	88	0	0
Total cost of acquisitions purchased	0	0	88	0	0
Value of acquisitions by donation	0	0	0	0	0
Total acquisitions capitalised	0	0	88	0	0

9 Fixed asset investments

	2021	2020
	Total	Total
	£000	£000
Balance at beginning of year	110,267	108,688
Additions	88,396	28,154
Transferred from fixed assets	0	0
Disposals	77,820	17,061
Less: impairment on unquoted securities	0	0
Gain/(loss)	14,428	(9,514)
Increase/(decrease) in cash balances held at fund managers	0	0
Balance at end of year	135,271	110,267
Represented by:		
Property	24,976	23,367
Quoted securities – equities	58,893	40,478
Fixed interest securities	611	15,719
Other investments	19,187	18,282
Cash in hand & at investment managers	31,604	12,421
Total	135,271	110,267

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

10 Stocks and work in progress

	2021	2020
	£000	£000
Goods for resale	435	449
Work in progress	0	0
Other Stocks	0	0
	<u>436</u>	<u>449</u>

11 Trade and other receivables

	2021	2020
	£000	£000
Members of the College	9	27
Amounts due from subsidiary undertakings	0	0
Other receivables	2,089	3,253
Prepayments and accrued income	63	19
	<u>2,161</u>	<u>3,299</u>

12 Cash and cash equivalents

	2021	2020
	£000	£000
Short-term money market investments		
Bank deposits		
Current accounts	204	263
Cash in hand	3	4
	<u>207</u>	<u>267</u>

13 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	865	1,173
Members of the College	378	408
Amounts due to subsidiary undertakings	0	0
Receipts in advance	405	557
University Fees	71	71
Contribution to Colleges Fund	28	33
Accruals and deferred income		
Other creditors		
	<u>1,747</u>	<u>2,242</u>

14 Long term loans

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, the College's share being £8 million. The Loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.42%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

During the course of 2017-2018, the College raised a further £15 million of unsecured debt from institutional investors at a fixed rate of interest of 2.62% per annum. Repayment is due in one amount at the end of 40 years. There is an agreed covenant in respect of the borrowings which the College has been in compliance with.

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

15 Pension provisions	2021	2020
CCFPS	£000	£000
Balance at beginning of year	10,777	8,328
Movement in year:		
Current service costs including life assurance	1,514	1,332
Contributions	(881)	(938)
Other finance cost	0	0
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(2,108)	2,054
Balance at end of year	9,301	10,777
USS		
Balance at beginning of year	558	876
Current service costs including life assurance	284	(70)
Contributions	(282)	(262)
Other finance cost	8	14
Balance at end of year	568	558

16 Principal subsidiary undertakings

The College owns 100% of the ordinary share capital of QC Enterprises Limited, a company incorporated in England. The principal activity of the company is the provision of conference and banqueting services at the College.

17 Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	2021 Total	2020 Total
	£000	£000	£000	£000
Balance at beginning of year				
Capital	30,915,678.24	26,432,208.95	57,347,887.19	59,784,794.31
New Donations and endowments	4,416,778.01	26,443.22	4,443,221.23	2,456,863.04
Increase/(decrease) in market value of investments	3,939,053.41	3,642,992.55	7,582,045.96	(4,893,770.16)
Balance at end of year	39,271,509.66	30,101,644.72	69,373,154.38	57,347,887.19

Analysis by type of purpose

Fellowship funds	27,592	0	27,592	21,912
Scholarship funds	4,643	0	4,643	2,995
Prize Funds	0	0	0	0
Hardship funds	131	0	131	112
Bursary funds	4,765	0	4,765	4,069
Travel grant funds	305	0	305	262
Other funds	146	0	146	125
General	1,684	30,102	31,785	27,870
	39,265	30,102	69,367	57,344

Analysis by asset

Property	6,259	4,798	11,056	9,140
Investments	30,770	23,589	54,360	44,938
Cash	2,236	1,714	3,950	3,266

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

18 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2021 Total £000	2020 Total £000
Balance at beginning of year	0	1,620	10,825	12,445	9,509
Capital	0	0	10,448	10,448	8,595
Accumulated income	0	1,620	377	1,997	913
Change of Fund Classification	0	0	0	0	0
New grants	0	0	0	0	0
New donations	0	0	7,825	7,825	2,825
Endowment return transferred	0	688	154	842	1,026
Other investment income	0	252	0	252	172
Increase/(decrease) in market value of investments	0	0	884	884	(426)
Expenditure	0	(325)	(81)	(407)	(661)
Capital grants utilised	0	0	0	0	0
Balance at end of year	0	2,234	19,607	21,841	12,445
capital	0	0	19,157	19,157	10,448
Accumulated income	0	2,234	450	2,684	1,997
Analysis of other restricted funds/donations by type of purpose					
Fellowship funds	0	1,719	1,046	2,765	2,153
Scholarship funds	0	126	589	714	619
Prize Funds	0	0	0	0	0
Hardship funds	0	(7)	1,520	1,513	1,294
Bursary funds	0	308	626	935	713
Travel grant funds	0	49	37	86	70
Other funds	0	37	23,345	23,382	7,362
General	0	0	268	268	231

19 Reconciliation of consolidated surplus for the year to net cash inflow from operating activities

	2021 £000	2020 £000
Surplus/(deficit) for the year	25,106	(5,573)
Adjustment for non-cash items		
Depreciation	8	2,482
Loss/(gain) on endowments, donations and investment property	17	(14,428)
Decrease/(increase) in stocks	10	13
Decrease/(increase) in trade and other receivables	11	1,139
Increase/(decrease) in creditors	13	(495)
Increase/(decrease) in provisions		0
Pension costs less contributions payable	15	643
Loss/(gain) on sale of property		761
Adjustment for investing or financing activities		
Investment income	(2,921)	(3,683)
Interest payable	747	624
Net cash inflow from operating activities	13,045	10,120

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

20 Cash flows from investing activities

	2021	2020
	£000	£000
Proceeds from the sales of non-current fixed assets	1,760	0
Non-current investment disposal	77,820	17,061
Investment income	2,921	3,683
Endowment funds invested	0	0
Withdrawal of deposits	0	0
Payments made to acquire non-current assets	(94,860)	(30,282)
Total cash flows from investing activities	(12,358)	(9,538)

21 Cash flows from financing activities

	2021	2020
	£000	£000
Interest paid	(747)	(624)
Interest element of finance rental payment	0	0
New unsecured loans	0	0
Repayments of amounts borrowed	0	0
Capital element of finance lease rental payment	0	0
Total cash flows from financing activities	(747)	(624)

22 Capital commitments

	2021	2020
	£000	£000
Capital commitments at 30 June 2020 are as follows:		
Authorised and contracted	375	375
Authorised but not yet contracted for	535	535

23 Consolidated reconciliation and analysis of net debt

	At 1 July	Cash	Other	At 30 June
	2020	Flows	non-cash	2021
	£000	£000	changes	£000
			£000	
Cash and cash equivalents	267	(60)		207
Borrowings:				
Amounts falling due after more than one year				
Unsecured loans	(23,000)			(23,000)
Total net debt	(22,733)	(60)	0	(22,793)

24 Financial Instruments

	2021	2020
	£000	£000
Financial assets		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments	56,197	56,197
Other investments	18,282	18,282
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	12,688	12,688
Other debtors	3,280	3,280
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Loans	23,000	23,000
Trade creditors	1,173	1,173
Other creditors	512	512

QUEENS' COLLEGE, CAMBRIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

25 Related Party Transactions

Owing to the nature of the College's operations and the composition of the Governing Body, it is inevitable that transactions will take place with organisations in which a Governing Body member may have an interest. All transactions involving organisations in which a member of the Governing Body 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 Interest for all Fellows and College employees with spending authority. It is updated every six months and during the year to 30th June 2021 it reveals that no material events occurred.

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 Stipends Committee.

The College continues its investment in joint equity properties with 1 College Fellow (1 Fellow in 2020). The total investment by the College amounted to £147,175 (2020 £147,175).

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

From	To	2021	2020
£0	£10,000	26	33
£10,001	£20,000	16	13
£20,001	£30,000	8	8
£30,001	£40,000	2	0
£40,001	£50,000	0	1
£50,001	£60,000	2	2
£60,001	£70,000	1	1
£70,001	£80,000	1	0
£80,001	£90,000	4	4
£90,001	£100,000	0	1
£100,001	£110,000	1	1
	Total	61	64

The total Trustee salaries were £1,360,765 for the year (2020: £1,283,940)

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £312,981 for the year (2020: £329,661)

The College has one trading and one dormant subsidiary undertaking, both of which are consolidated into these accounts. Both subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales. The College has taken advantage of the exemption within section 33 of FRS 102 not to disclose transactions with wholly owned group companies that are related parties.

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

UNIVERSITIES SUPERANNUATION SCHEME

Significant accounting policies

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The 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 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) with related expenses being recognised through the profit and loss account.

Critical accounting judgements

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

PENSION COSTS

The total cost charged to the profit and loss account is (£10,096) (2020: £66,450).

Deficit recovery contributions due within one year for the institution are £26,734 (2020: £25,514)

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

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

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

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

The key financial assumptions used in the 2018 valuation are described below. More details 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% pa.
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 (durations 0) for females Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectations on retirement at age 65 are:

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

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

	2021	2020
Discount rate	1.80%	1.45%
Pensionable salary growth	3.10%	2.7%

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

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 30th June 2021 for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	<u>30th June</u> <u>2021</u>	<u>30th June</u> <u>2020</u>
Discount rate	1.80%	1.45%
Increase in salaries	3.10%	2.70%
RPI assumption	3.40%	3.10%
CPI assumption	2.60%	2.20%
Pension increased in payment (RPI Max 5% pa)	3.30%	3.00%
Pension increases in payment (CPI Max 2.5% pa)	1.95%	1.80%

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

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

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

PENSION SCHEMES (CONTINUED)

The assets in the Scheme and the expected rates of return were:

	<i>Long-term rate of return expected at 30/06/2021</i>	<i>Value at 30/06/2021</i>	<i>Long-term rate of return expected at 30/06/2020</i>	<i>Value at 30/06/2020</i>	<i>Long-term rate of return expected at 30/06/2019</i>	<i>Value at 30/06/2019</i>
Equities and Hedge Funds		10,606,207		9,810,563		10,211,737
Cash, Bonds & Net Current Assets		9,280,431		8,208,838		6,091,212
Property		<u>2,209,626</u>		<u>2,002,156</u>		<u>1,612,379</u>
Total		<u>22,096,264</u>		<u>20,021,557</u>		<u>17,915,328</u>

The following results were measured in accordance with the requirements of FRS102

	2021 £	2020 £	2019 £
Total market value of assets	22,096,264	20,021,557	17,915,328
Present value of Scheme liabilities	<u>(31,397,694)</u>	<u>(30,798,169)</u>	<u>(26,243,731)</u>
Surplus/(deficit) in the Scheme	<u>(9,301,430)</u>	<u>(10,776,612)</u>	<u>(8,328,403)</u>

The amounts recognised in income and expenditure are as follows:

	30th June 2021 £	30th June 2020 £
In staff costs: Current service cost (net of employee contributions)	<u>1,320,996</u>	<u>1,107,620</u>
In endowment and investment income:		
Interest cost	453,455	600,966
Expected return on pension scheme assets	<u>(296,257)</u>	<u>(412,107)</u>
Net return	<u>157,198</u>	<u>188,859</u>
Actual return on pension scheme assets	<u>1,528,371</u>	<u>1,439,084</u>

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

PENSION SCHEMES (CONTINUED)

Changes in the present value of the plan liabilities are as follows:

	30 th June 2021	30 th June 2020
	£	£
Present value of plan liabilities at beginning of period	30,798,169	26,243,731
Current service cost (including employee's contributions)	1,594,918	1,404,994
Interest on plan liabilities	453,455	600,966
Actuarial (gains) losses	(897,337)	3,061,536
(Gain)/loss on plan changes	0	0
Curtailment (gain)/loss	0	0
Benefits paid	(551,511)	(513,058)
Present value of plan liabilities at end of period	<u>31,397,694</u>	<u>30,798,169</u>

Changes in the fair value of scheme assets are as follows:

	30 th June 2021	30 th June 2020
	£	£
Market value of plan assets at beginning of year	20,021,557	17,915,328
Contributions by the College	881,344	938,442
Additional contributions by members (including AVCs)	273,922	297,374
Benefits (and expenses) paid	(608,930)	(568,671)
Interest on plan assets	296,257	412,107
Return on assets, less interest included in Prof.it & Loss	<u>1,232,114</u>	<u>1,026,977</u>
Market value of plan assets at end of year	<u>22,096,264</u>	<u>20,021,557</u>

Amounts for the current and previous four periods are as follows:

	30 th June 2021	30 th June 2020	30 th June 2019	30 th June 2018	30 th June 2017
	£	£	£	£	£
Present value of plan liabilities	(31,397,694)	(30,798,169)	(26,243,731)	(22,678,045)	(22,167,697)
Market value of plan assets	<u>22,096,264</u>	<u>20,021,557</u>	<u>17,915,328</u>	<u>15,797,680</u>	<u>14,834,952</u>
Surplus/(deficit)	<u>(9,301,430)</u>	<u>(10,776,612)</u>	<u>(8,328,403)</u>	<u>(6,880,365)</u>	<u>(7,332,745)</u>
Experience adjustments on plan liabilities	(459,639)	(54,536)	439,114	(297,285)	1,793
Change in assumptions underlying present value of plan liabilities	(416,040)	(3,026,582)	(2,878,488)	(1,063,729)	(2,586,076)

QUEENS' COLLEGE, CAMBRIDGE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30th JUNE 2021

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

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 funding valuation are different to those adopted under FRS102.

The last such valuation was at 31st March 2020. 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 21st May 2021 and are as follows:

- Annual contributions of not less than £274,247 pa, payable for the period to 31st March 2029.

These payments are subject to review following the next funding valuation, due as at 31st March 2023.