NEWNHAM COLLEGE
CAMBRIDGE

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 JUNE 2021

Registered Charity No. 1137512

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INTRODUCTION

Newnham College is one of the 31 colleges in the University of Cambridge. It was founded in 1871, and received its Royal Charter in 1917. According to the College's Charter, Statutes and Ordinances, only women can be admitted as junior members (students) or elected as senior members (Fellows). The College celebrates its 150th Anniversary in 2021-22.

The College admits full-time undergraduates studying for the University's Tripos degree courses; and postgraduates (predominantly full-time, but some part-time) studying for Masters, PhD and other postgraduate degrees, diplomas and certificates. The total number of full-time students as at 1 December 2020 was 679, comprising 430 undergraduates and 249 postgraduates. The College's Governing Body had 67 Fellows as at 1 October 2021, most of whom who are active in teaching and research within the University.

The College occupies a 17-acre site close to the centre of Cambridge, consisting of buildings built between 1875 and 2019, offering residential accommodation to more than 500 students, set in landscaped gardens. The buildings also house a library, teaching rooms, offices, shared eating spaces (dining hall, buttery, café), meeting rooms, common rooms and a gym.

The College is a Registered Charity, regulated by the Charity Commission; and is registered with the Fundraising Regulator.

These accounts are presented in the format of the Recommended Cambridge College Accounts (RCCA), which complies with the Further and Higher Education SORP (Statement of Recommended Practice: Accounting for Further and Higher Education).

SUMMARY FINANCIAL RESULTS

The financial statements consolidate the activities of the College and the College's subsidiaries: Newnham College Management Ltd, Newnham College Library Company Ltd, and Newnham College Ltd. The latter two companies are inactive.

For a second successive financial year, the College's finances were affected by the Covid-19 pandemic, with a significant reduction in operational income, largely in lost student rents and conference business.

Total operational income for the year was £7.14m (2019-20: £7.26m), which included £3.54m (2019-20: £3.31m) in academic fees (the increase being as a result of increased student numbers); and £2.16m (2019-20: £3.24m) from accommodation, catering and conferences. In addition, £2.34m (2019-20: £3.66m) in donations and legacies was received; and £6.59m (2019-20: £2.72m) of endowment return, out of a total of £29.11m (2019-20: £11.03m) of investment gains, was transferred following the College's total return rule plus an exceptional distribution of £3.50m (2019-20: £nil) to mitigate against the lost income over two financial years.

Total operational expenditure for the year before pension provisions and loan interest payments was £11.52m (2019-20: £11.49m) including depreciation, or £9.86m (2019-20: £10.37m) excluding depreciation of £1.66m (2019-20: £1.12m). Of this £9.86m, more than half (57%; £5.58m) was on staff costs. The Statement of Comprehensive Income and Expenditure (SOCIE) shows total Expenditure of £12.35m (2019-20: £12.31m), including £1.02m (2019-20: £1.04m) in loan interest payments. In addition, a further £1.50m (2019-20: £0.18m) of capital expenditure is included in the balance sheet.

The College's investment portfolio was valued at £133.62m as at 30 June 2021 (30 June 2020: £106.41m); and the balance sheet and the cash flow statement show £2.29m of cash as at the same date (30 June 2020: £4.31m).

PROFESSIONAL ADVISERS

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

Bankers
NatWest Bank
Cambridge Market Street Branch
23 Market Street
Cambridge
CB2 3PA

Investment Advisers
Stanhope Consulting (part of Stanhope Capital)
35 Portman Square
London
W1H 6LR

Property Managers
Carter Jonas LLP
One Station Square
Cambridge
CB1 2GA

Newnham College
Sidgwick Avenue
Cambridge
CB3 9DF

01223 335700
www.newn.cam.ac.uk

Charity registration no. 1137512

CHARITY TRUSTEES

The members of the College Council act as the Trustees of the charity. The College Council meets at least nine times in a year (three times per term). In the financial year 2020-21 the following were members of the College Council:

Four College Officers *ex officio*

Miss Alison Rose	Principal; Chair of the Council
Dr Emma Mawdsley	Vice-Principal (to 5 February 2021)
Dr Barbara Blacklaws	Vice-Principal (from 6 February 2021)
Professor Liba Taub	Senior Tutor
Mr Christopher Lawrence	Bursar; Secretary of the Council

Eight Fellows elected by the Governing Body

As at 1 July 2020:
Dr Christina Angelopoulos
Dr Helen Bao
Dr Barbara Blacklaws
Dr Laurie Friday
Professor Susan Golombok
Dr Jenny Mander
Dr Delphine Mordey
Dr Rachael Padman

As at 30 June 2021:
Dr Christina Angelopoulos
Dr Helen Bao
Dr Kate Fleet
Dr Laurie Friday
Dr Jenny Mander
Dr Emma Mawdsley
Dr Delphine Mordey
Dr Rachael Padman

Three Junior Members elected by the MCR and JCR

As at 1 July 2020:
Tatiana Pignon (MCR)
Rosie Stevenson (JCR)
Roma Ellis (JCR)

As at 30 June 2021:
Fania Christodoulides (MCR)
Lottie Mills (JCR)
Alice Tort (JCR)

Governing Body

The Governing Body, comprising all Fellows of the College in Categories A to E, is required by the College Statutes to be responsible for the approval of the annual audited accounts. The Governing Body, which meets at least five times in a year, is chaired by the Principal and a Fellow is the Secretary. There were 67 Governing Body Fellows as at 1 October 2021.

A full list of the Governing Body Fellows can be found on the College website at:
www.newn.cam.ac.uk/people

OBJECTS

The College's objects as they appear in the Royal Charter were revised in 2019 and read:

(a) To further public benefit by providing a liberal education and promoting learning and research through the provision of a college for women within the University of Cambridge.

(b) To do all such other things as are incidental or conducive to advancing education and learning among women in Cambridge and elsewhere.

(c) For the purposes above to receive and apply donations from persons desiring to promote the objects of the College.

(d) To invest the moneys of the College not immediately required in any securities or investments which may from time to time be authorised for the purpose by the Council.

PUBLIC BENEFIT

The Trustees on appointment are provided with a link to the document 'Charities and Public Benefit: Summary Guidance for Charity Trustees', and are reminded at least annually of its recommendations and requirements. The College provided in 2020-21 an education for 679 (2019-20: 649) full-time undergraduate and postgraduate women students, in conjunction with the University of Cambridge, 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 for undergraduates, as well as pastoral, administrative and academic support through its tutorial and mentor systems; and
- 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 advances research mainly by:

- 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 a permanent 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 both from other UK institutions and from abroad; 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 special collections), thus providing a valuable resource for students and senior members of the College, members of other Colleges and the University of Cambridge more widely, and external scholars and researchers.

The Trustees are satisfied that the College remains compliant with its duty in regard to public benefit. The primary beneficiaries are the resident members of the College, both students and academic staff, all of whom are directly engaged in education, learning or research. Other beneficiaries include: students and academic staff from other colleges in Cambridge and the

PUBLIC BENEFIT (continued)

University of Cambridge more widely, visiting academics from other higher education institutions, and visiting schoolchildren and alumnae of the College who have an opportunity to attend educational events at the College or use its academic facilities. Members of the general public are also able to attend various educational activities in the College (such as public lectures).

As a College in the University of Cambridge the primary beneficiaries are academics and students of the University, all of whom need to meet high academic standards to be appointed or admitted and that requirement stands at the core of its nature. The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

OPERATING AND FINANCIAL REVIEW

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OPERATING AND FINANCIAL REVIEW

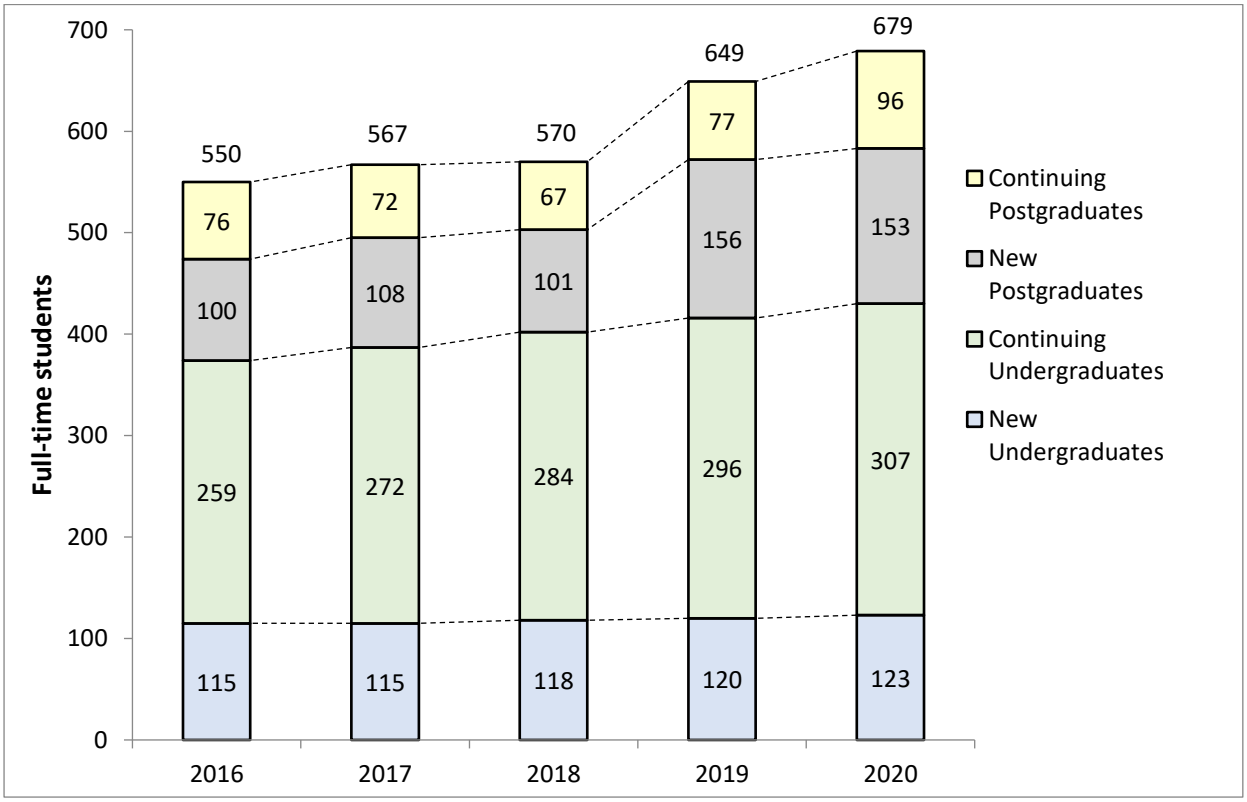
1. COVID-19

For a second successive financial year, the College's finances were affected by the Covid-19 pandemic, with 2018-19 being the last financial year unaffected by Covid-19. There were three national lockdowns, with severe restrictions on normal life. Following a first national lockdown from 26 March to 4 July 2020, various restrictions continued throughout the summer of 2020, with a second national lockdown from 5 November to 2 December 2020 and then a third national lockdown starting on 5 January 2021, which was released gradually through a series of steps over several months, finally ending on 19 July 2021. Between each of these national lockdowns there were still significant restrictions, with some areas operating under the highest Tier 4 restrictions, which were at the same level as a national lockdown. Cambridge moved into Tier 4 on 26 December 2020, but this was soon superseded by the national lockdown that started on 5 January 2021. The uncertainty around the duration of these various lockdowns and periods of restrictions had a major impact on the College and its business. This is reflected in the narrative that follows.

2. STUDENT NUMBERS

The biggest potential variable from one year to the next which affects both income and expenditure is the size of the student body. The College admits both undergraduate and postgraduate students, and has a target of 640 full-time fee-paying students, made up of 420 undergraduates and 220 postgraduates. The total number of full-time fee-paying students as at 1 December 2020 was 679, which represented an increase on the previous year (649 in 2019). This total comprised 430 undergraduates (416 in 2019), of whom 123 were new entrants (120 in 2019); and 249 full-time postgraduates (233 in 2019). The 249 postgraduates comprised 132 Doctoral students (125 in 2019), of whom 41 were new entrants (49 in 2019); and 117 non-Doctoral (predominantly Masters) students (108 in 2019). In addition there were 67 postgraduate students either writing up/under examination or part-time (52 in 2019).

The following chart shows the figures for full-time fee-paying students over the past five years as at 1 December each year, showing new entrants and continuing students separately:



OPERATING AND FINANCIAL REVIEW (continued)

The breakdown by fee status was as follows:

	2020	**2019**
Undergraduate - UK	326 (76%)	311 (75%)
Undergraduate - EU	31 (7%)	37 (9%)
Undergraduate - Overseas	73 (17%)	68 (16%)
Total	**430**	**416**
Postgraduate - UK	81 (33%)	74 (32%)
Postgraduate - EU	59 (24%)	62 (27%)
Postgraduate - Overseas	109 (44%)	97 (42%)
Total	**249**	**233**

New EU students are now (starting from 1 October 2021) charged the same (higher) fees as Overseas students. Although this is likely to affect the composition of the non-UK student body, this may or may not have an impact on total student numbers, and this will need to be monitored carefully in the future.

STATEMENT OF COMPREHENSIVE INCOME AND EXPEDITURE (SOCIE)

3. SOCIE: INCOME

The first of the four financial statements is the Statement of Comprehensive Income and Expenditure (SOCIE). All income appears in this statement. Total income before donations and endowments was £7.15m (2019-20: £7.26m), and total income including donations and endowments was £9.49m (2019-20: £10.98m). The treatment of investment income and endowment return should be noted as explained in 3.3 below.

3.1 Academic fees and charges

Of the total of £3.55m (2019-20: £3.31m) under this heading, £3.21m (2019-20: £3.06m) was derived from student fees. These are set out in Note 1 to the accounts.

UK/EU undergraduates who are eligible for fee loans from the government-owned Student Loans Company (SLC) pay a regulated fee, which is currently £9,250 per annum for students admitted since September 2017. 50% of these fees are paid to the University, and the College retains the other 50% (£4,625 per student). The total income to the College from this source was £1.57m (2019-20: £1.55m).

Non-UK/EU undergraduates – and UK/EU undergraduates who are not eligible for SLC loans (generally as a result of having a first degree already) – pay an unregulated College fee, set by the College, in addition to their University fee. For first-year undergraduates in 2020-21, this fee was £9,500 per annum, which remains unchanged for the duration of their course. The equivalent fees for undergraduates starting in prior years are £8,700 (2019-20 starters), £8,100 (2018-19 starters) and £7,901 (2017-18 starters). The total income to the College from such students was £652k (2019-20: £554k).

Postgraduate students pay a variety of University fees, depending on fee status (UK/EU v. non-UK/EU) and on course choice. The 31 colleges collectively receive a share of the total postgraduate fees to the University (25%, up to a cap), which is redistributed on a per capita basis. This resulted in a fee of £4,069 per postgraduate student in 2020-21 (2019-20: £3,909), amounting to a total to the College of £986k (2019-20: £950k).

OPERATING AND FINANCIAL REVIEW (continued)

As well as student fees as set out above, the College received £96k (2019-20: £67k) from other colleges in return for Newnham academics supervising undergraduates from those colleges and for shared academic appointments. £241k (2019-20: £192k) was received as the external contribution to total awards of £358k (2019-20: £329k) paid through the Cambridge Bursary Scheme and the associated Top-Up Bursary Scheme.

3.2 Accommodation, catering and conferences

The total of this source of income was £2.16m, significantly down on the previous year's income of £3.24m, as set out in Note 2 to the accounts. This source of income was hit hard by the effects of Covid-19. In 2018-19, the last financial year unaffected by Covid-19, this source generated £3.78m of income, so the 2020-21 figure of £2.16m represents a loss in income of over £1.60m.

The line in Note 2 'Accommodation – College members' shows the income from student rents. In 2018-19 this had been £2.58m whereas in 2020-21 it shows £1.87m, a significant reduction (following the reduction to £1.95m in 2019-20). At the start of the 2020-21 academic year, the College consciously reduced its capacity to about 90% to aid social-distancing in response to Covid-19. A national lockdown part-way through the Michaelmas term, followed by a further national lockdown for the whole of the Lent term, followed by continuing restrictions in the Easter term, all of this together affected the level of occupancy dramatically, which is illustrated by this drop in income (because the College did not charge any rent to those not physically present, irrespective of the terms of their room licences). For those who were present, undergraduate rents were £157 per week and postgraduate rents ranged from £132 to £159 per week.

As a result of these absences, there was much less use of the College's catering facilities by our students, as shown in the line in Note 2 'Catering – College members'. This shows income of £276k in 2020-21, compared with £497k in 2019-20, and compared with £528k in Covid-free 2018-19. Although there were reductions in the costs of food purchases, and in the use of casual staff, no permanent staff were made redundant and the core costs of the Catering department remained unchanged.

But the area of income that was hit most dramatically was in relation to 'Conferences', which includes all income from weddings, dinners, receptions, bed-and-breakfast accommodation, summer schools as well as from actual conferences. In 2019-20 the total for this income was £795k, in a year only partially affected by Covid-19 because the bulk of such income is generated in the summer months of July to September, the first three months of the financial year. But in 2020-21, the summer business was lost altogether to Covid-19, and the total income for the whole financial year was just £10k. The 2021-22 financial year will also be hit hard in respect of this income line, because another summer was largely lost, other than a few weddings – none of the regular summer school business was able to return in 2021. This will be reflected in next year's accounts.

3.3 Investment income and Endowment return transferred

The SOCIE has two lines for these sources of income, 'Investment income' and 'Endowment return transferred'. Note 3 sets out further detail. This is an area of the accounts which requires some explanation.

The first line 'Investment income' shows unrestricted income of £641k (2019-20: £175k). Note 3a shows that £506k came from distributions from the Cambridge University Endowment Fund (CUEF). Previously such distributions had been included within the 'Gain on investments' line lower down in the SOCIE (effectively rolled up with the capital gains on the units held), and hence the comparative figure for 2019-20 was zero. The College has increased its investment in the CUEF considerably and is therefore receiving more significant distributions, which has now led to the decision to account for

OPERATING AND FINANCIAL REVIEW (continued)

them under 'Investment income'. The remaining £135k (2019-20: £175k) is from commercial rental income and bank interest.

The second line 'Endowment return transferred' requires explanation:

The total 'Gain on investments' in the year is shown lower down the SOCIE and comes to a total of £29.11m (2019-20: £11.03m). This represents an exceptional return on the College's investments, which are explained in more detail in section 8.2 of this Financial Review. Against the background of unprecedented losses in operational income due to the effects of Covid-19, this investment performance has allowed the College to continue to plan with confidence.

Of this £29.11m, £6.59m (2019-20: £2.72m) was taken as income, shown on the line 'Endowment return transferred' and divided between £4.85m (2019-20: £1.23m) as unrestricted income and £1.73m (2019-20: £1.49m) as restricted income. However, following an accounting requirement this £6.59m is excluded from the 'Total income before donations and endowments', by including a negative matching figure of £6.59m in the 'Endowment' column. Thus this 'Endowment return transferred' line is netted off to zero in the Income section of the SOCIE, but the £6.59m is included in the full amount of the gain on investments after the Expenditure section of the SOCIE.

The figure of £6.59m is made up of two figures: £3.09m was derived from the College's total return policy; and a further £3.50m was an exceptional distribution to mitigate against the lost income over two financial years. The total return policy makes available for spending an amount based on the average value of the units in the investment portfolio (excluding directly held investment properties) over the preceding five years, which allows for a smoothed approach to drawing down income. At 1 July 2020 there were 5,495,615 units held in the investment portfolio, with a unit value of £19.25 and a total value of £105.8m. The average value of the units over the preceding five years was £16.04, so when the drawdown rate of 3.5% as stipulated in the policy was applied to this unit value and the number of units held, the result was a return of £3.09m.

3.4 Other income

Other income of £801k (2019-20: £534k) is set out in detail in Note 4. For the second financial year in a row, there is a line 'Coronavirus Job Retention Scheme grant', which shows income of £281k (2019-20: £230k). This was the one source of Government support the College was able to call upon, and this helped the College to avoid making any staff redundancies.

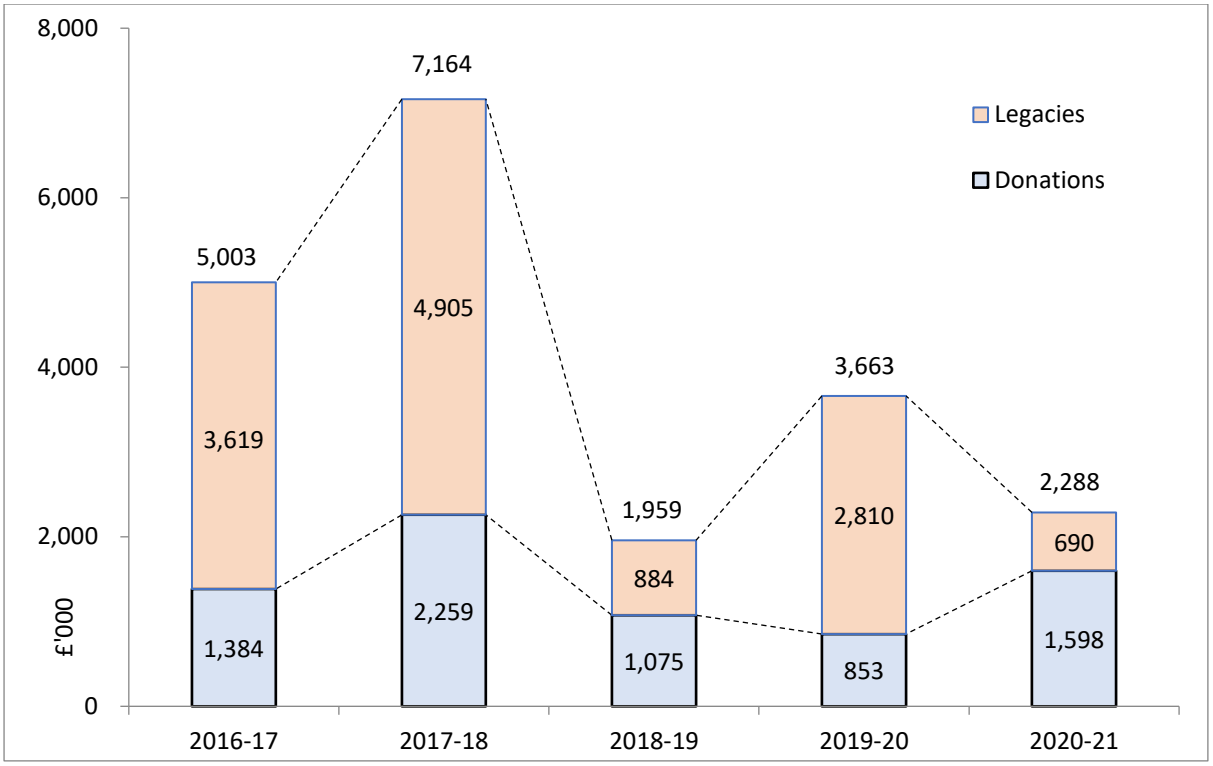
Another line is 'Research grant from DfID/FCDO' (previously the Department for International Development, now the Foreign, Commonwealth & Development Office) showing income of £364k (2019-20: 151k). This project, which is run out of the Margaret Anstee Centre for Global Studies based in the College, is due to complete at the end of the 2021-22 financial year.

In addition, £55k (2019-20: £51k) of VAT was recovered, and there was £101k (2019-20: £102k) of other income.

3.5 Donations and new endowments

Total donations and new endowments of £2.34m were received, as set out in Note 4. This was a decrease from 2019-20 (£3.71m) as shown in the following chart (which excludes an annual release from deferred capital grants of £51k):

OPERATING AND FINANCIAL REVIEW (continued)



This chart shows the unpredictability of donation and legacy income while also highlighting the importance of this source of income. The College has been very fortunate to benefit in this way from the generosity of alumnae, and remains very grateful for this support. Such philanthropic income underpins the College's continued ability to fulfil its mission: the advancement of education, learning and research.

4. SOCIE: OPERATING EXPENDITURE

The SOCIE shows operational expenditure, but excludes capital expenditure (see section 7 below). The categories of expenditure are prescribed by the RCCA format. Each line of expenditure includes a mix of Staff costs (direct and indirect) and Non-staff costs (direct and indirect). A series of breakdowns within Notes 6 to 18 sets out much of the detail.

Total operating expenditure for the year was £11.52m (2019-20: £11.49m), or £9.86m (2019-20: £10.37m) excluding depreciation of £1.66m (2019-20: £1.12m). The charge for depreciation (a non-cash item) in 2020-21 increased significantly as a result of a change in the depreciation policy, whereby buildings are now depreciated over 65 years rather than 100 years.

The total of £11.52m breaks down as £5.29m on Education (2019-20: £5.33m); £5.32m on Accommodation, catering and conferences (2019-20: £5.59m); and £900k on Other (2019-20: £568k). Note 6a sets out the detail.

4.1 Education

Notes 7 to 9 give detailed breakdowns of the £5.29m of expenditure on education. Although Covid-19 affected the ability of many students to remain in Cambridge throughout the academic year in 2020-21, teaching continued at all times, through a mix of in-person and online provision, with no reduction in costs. The College's education costs mainly relate to undergraduate supervisions, the small-group teaching that is a feature of Cambridge (whereas the costs of providing lectures fall to the University), and Note 7a shows a total cost for Teaching of £1.92m (2019-20: £1.86m). The next biggest element of education expenditure was on Scholarships and awards (for both undergraduates

OPERATING AND FINANCIAL REVIEW (continued)

and postgraduates), which came to £1.36m (2019-20: £1.44m). The College is fortunate to be in a financial position to make such awards, which are largely funded by philanthropy. Note 9 gives a useful breakdown of such awards.

All students, both undergraduate and postgraduate, have a personal Tutor who is responsible for providing non-academic support. The cost of such Tutors is included within the line 'Tutorial' and the total cost of the Tutorial and Admissions activities as shown in Note 7a came to £1.34m (2019-20: £1.39m). Research costs come under the heading of Education, and such costs came to £447k (2019-20: £427k), which includes the employment costs of stipendiary Junior Research Fellows.

4.2 Accommodation, catering and conferences

Note 6a shows how the total costs of £5.32m (2019-20: £5.59m) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Direct staff costs are split between Catering and Conferences in Note 10, and direct non-staff costs are split between Catering and Conferences in Note 11. Accommodation-related costs such as Housekeeping staff are included within the indirect staff costs, because these costs are split across more than one activity.

The effects of Covid-19 can be seen in these figures. The direct staff costs for Catering and Conferences fell from £954k in 2019-20 to £795k in 2020-21 as the result of a reduction in the use of casual staff for serving food at formal dinners and through the buttery. However, no permanent staff were made redundant, despite the significant drop in catering activity. The direct non-staff costs dropped by half from £646k in 2019-20 to £321k in 2020-21 mainly as a result of purchasing much less food.

4.3 Other expenditure

Note 6a shows how total costs of £900k (2019-20: £568k) are split between staff costs and non-staff costs, and between direct costs and indirect costs. Note 12 gives a breakdown of the direct staff costs, which mainly relate to the Margaret Anstee Centre, including the research project for the Foreign, Commonwealth & Development Office (FDCO), the income relating to which was referred to in section 3.4 above. Note 13 shows the direct non-staff costs, most of which also relate to the Margaret Anstee Centre and the FDCO project.

4.4 Staff costs

Staff costs include salaries, National Insurance, and pension costs.

The three expenditure areas (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct staff costs and indirect staff costs. Staff costs are analysed in various ways in the Notes. Notes 6a and 17a show how total staff costs of £5.58m (£5.33m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 8 (Education), Note 10 (Accommodation, catering and conferences) and Note 12 (Other) on the direct staff costs in each of those expenditure areas. It is to Note 18 that the reader must turn to understand all the other elements of staff costs which are allocated across the three expenditure areas. Note 18 shows the cost of departments such as Housekeeping, Maintenance, Porters' Lodge, Gardens, Bursary, Development and Communications.

Further analysis is given in Note 19, which shows pensions costs of £780k (2019-20: £733k) and National Insurance costs of £328k (2019-20: £307k), on top of salary costs of £4.21m (2019-20: £4.03m). Headcount figures (both FTE and non-FTE) are shown. These include casual staff as well as permanent staff, and a reduction is shown from 2019-20 as a result of the effects of Covid-19, with many fewer hours of casual work required in the catering department in particular.

OPERATING AND FINANCIAL REVIEW (continued)

4.5 Non-staff costs

The three lines (i) Education, (ii) Accommodation, catering and conferences, and (iii) Other expenditure, all include both direct non-staff costs and indirect non-staff costs. Non-staff costs are analysed in various ways in the Notes. Note 6a shows how total non-staff costs of £5.94m (including depreciation of £1.66m) (2019-20: £6.16m, including depreciation of £1.12m) are allocated across the three expenditure areas, and some detail is given in Notes 7a and 9 (Education), Note 11 (Accommodation, catering and conferences) and Note 13 (Other) on the direct non-staff costs in each of those expenditure areas.

Among the indirect non-staff costs, the largest area of expenditure was maintenance, at £687k. The figure for 2019-20 was £1.24m, but this does not represent a reduction in such work: instead, more of such work is now treated as capital expenditure, which does not appear in the SOCIE. The next largest cost was utilities (gas, electricity, water) at £370k (2019-20: £360k). The College buys its gas and electricity through a consortium of colleges, with hedges in place to counter fluctuations in prices.

5. SOCIE: OTHER EXPENDITURE

As well as £11.52m (2019-20: £11.49m) of operating expenditure, the total expenditure of £12.35m (2019-20: £12.31m) includes three other lines as described below.

5.1 Movement to pension provisions

The College participates in two defined benefit pension schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS), and the Universities Superannuation Scheme (USS). As at 30 June 2021 there were 4 active members in CCFPS and 156 active members in USS (30 June 2020: 5 in CCFPS, 149 in USS). The funding position of these two schemes are set out in detail in notes 42a (CCFPS) and 42b (USS). Pensions represent a significant cost to the College: employer contributions of £780k were made in the year (see Note 19) (2019-20: £733k).

The total figure for the movement to pension provisions included under Expenditure in the SOCIE is -£202k (2019-20: -£217k). This comprises £45k for the CCFPS scheme and -£248k for the USS scheme (2019-20: £21k for CCFPS, -£238k for USS).

In relation to CCFPS, the actuarial consultants Cartwright Group Ltd are engaged to report on the financial position of the scheme at the year end. They have calculated a total liability of £1.18m as at 30 June 2021, which is a £439k decrease on the liability shown at the start of the year (£1.62m). Of this £439k, £45k is recognised as expenditure (within the -£202k as above) and -£484k is recognised under 'Other comprehensive income'.

In relation to USS, the provision in this year's accounts is based on the 31 March 2018 actuarial valuation, which was the last formal completed actuarial valuation as at 30 June 2021. This resulted in a provision of £1.38m (2019-20: £1.63m), a decrease of £248k, which is recognised as expenditure (the -£248k as above).

The combined CCFPS and USS pension provision as shown on the balance sheet and in Notes 20 & 30 was £2.56m as at 30 June 2021 (£3.25m at 30 June 2020).

However, since the year end, a USS valuation as at 31 March 2020 has been completed with an effective date of 1 October 2021. This increases the USS provision from £1.38m to £3.85m. This counts as a post-balance sheet event and is explained in Note 41, which also sets out the circumstances in which the provision could increase yet further to £6.16m.

OPERATING AND FINANCIAL REVIEW (continued)

5.2 Loan interest payable

The College needs to repay loan interest in the order of £1m every year for a number of years. The figure of £1.02m for 2020-21 (2019-20: £1.04m) comprises £197k for the Buttery/Kitchen loan (2019-20: £211k) and £824k for the two private placement bonds (2019-20: £824k) as described below.

The College took out a 25-year bank loan in 2007 to fund the Buttery/Kitchen project, repayable in 2032. In addition to the interest costs of £197k, capital repayments of £236k were made (2019-20: £275k). The remaining balance on the loan at the end of the year was £3.59m (30 June 2020: £3.83m).

The College issued two private placement bonds, one for £11.58m in 2013 and one for £7.00m in 2014, with three repayment dates in 2043, 2044 and 2053, and the combined coupon (interest) payments come to £824k per year. These are set out in Note 29.

The proceeds of these private placements were used to part-fund the new Dorothy Garrod Building and its associated fixtures and fittings, which cost a combined total of £34.87m. The coupon payments on these two private placements will therefore remain £824k per year until 2043 (when the first £6.43m of capital has to be repaid). Reduced coupon payments will continue until 2053 (when the final £5.15m of capital has to be repaid).

5.3 Contribution to the Colleges Fund

The Colleges Fund is a scheme whereby the wealth of all 31 colleges is assessed each year. The better-endowed colleges pay into a central fund, which is then disbursed to the less-well-endowed colleges. Newnham College's contribution to this fund was £16k. Although the 2019-20 equivalent figure in the accounts is shown as £nil, this is merely a timing issue, and the College has been an annual contributor to the Colleges Fund for several years.

6. SOCIE: GAIN ON INVESTMENTS

The gain on investments was £29.11m (2019-20: £11.03m), as shown in Note 3. This exceptional gain on investments masks the deficit of -£2.87m incurred in the year ('Deficit before other gains and losses') (2019-20: -£1.33m). If one compares the line 'Total income before donations and endowments' showing £7.15m (2019-20: £7.26m) with the line 'Total operating expenditure' showing £11.52m (2019-20: £11.49m), then one starts to understand even more clearly that there is a fundamental mismatch between operating income and operating expenditure. The College's economic model relies on investment gains and philanthropy to bridge that gap. The total return policy that calculates the annual drawdown from the College's investments is set out in 3.3 above, and it is this regular, annual drawdown that allows the College to carry an operational deficit each year. Hence the bottom line of the SOCIE – 'Total comprehensive income for the year' – needs to be interrogated closely for a true understanding of the College's finances.

Investments are considered in more detail in 8.2 below.

7. CAPITAL EXPENDITURE

The Statement of Comprehensive Income and Expenditure (SOCIE) is not in fact comprehensive in terms of expenditure, since capital expenditure is excluded. It is to the first line of the Balance Sheet, and its related Note 23 (Fixed Assets), that one turns to see the capital expenditure in the year. This shows Additions of £1.50m (2019-20: £181k) including £1.19m on building refurbishment projects (2 Clare Road, 8 Clare Road, 2 Wordsworth Grove, 6 Wordsworth Grove, Old Hall); £247k in IT

OPERATING AND FINANCIAL REVIEW (continued)

infrastructure, largely to upgrade the College's WiFi network; and various other costs including £24k on a marquee specifically in response to Covid-19 to provide a well-ventilated space for various activities.

8. BALANCE SHEET AND RESERVES

After the SOCIE, the next two statements in the accounts are the Statement of Changes in Reserves and the Balance Sheet. Starting with the Balance Sheet:

8.1 Fixed assets

Note 23 sets out the movements in this asset class. The capital expenditure in the Additions line has been explained in section 7 above. Within Disposals of £204k (2019-20: £28k), £146k was for the writing-off of old IT infrastructure.

8.2 Investments

Note 24 shows investments of £133.62m (2019-20: £106.41m), with £118.04m (88%) held in quoted equities (2019-20: £90.64m). The unit value in the investment portfolio (see 3.3 above) at 30 June 2021 was £23.35, an increase of 21.3% on the opening unit value of £19.25.

The total investment portfolio (including property) was made up follows:

	30 June 2021	**30 June 2020**
Equities	74.5%	82.2%
Bonds	7.1%	4.7%
Property	8.2%	8.0%
Private equity	7.5%	4.7%
Absolute return	2.7%	0.4%
Total	**100%**	**100%**

As at 30 June 2021, 34% of the portfolio was passively managed, and 66% was actively managed. The passive part of the portfolio was held in three funds (two equity funds, one bond fund) managed by State Street Global Advisors; and the active part of the portfolio was managed by the following: Baillie Gifford (Stewardship Select Fund), Cambridge University Endowment Fund (CUEF), Partners Capital, Cambridge Associates (Cambridge University Feeder Fund) and Savills (Charity Property Fund).

The total return on the fund was an exceptional 28.0%. This was contributed to by the performance of four funds in particular over the 12 months to 30 June 2021: the Baillie Gifford fund reported a total return of 39.2%; the CUEF reported a total return of 24.1%; and the two State Street equity funds reported total returns of 41.3% and 24.8%.

8.3 Statement of Changes in Reserves

The Balance Sheet and the Statement of Changes in Reserves show total reserves increasing from £228.26m (at 30 June 2020) to £254.44m (at 30 June 2021). This increase is mainly attributed to the total return from investments (£27.21m) and donations and new endowments (£2.34m) offset by the loan interest payable (£1.02m).

OPERATING AND FINANCIAL REVIEW (continued)

9. CASH FLOW

The fourth and final statement in the accounts is the Cash Flow Statement. This shows a decrease of £2.01m in cash over the year from £4.31m to £2.29m. This is a direct consequence of the effects of Covid-19. The cash flow is explained in detail in Notes 33 to 35.

10. RESERVES POLICY

Newnham's unrestricted reserves at the year end amounted to £161.11m (2020: £149.49m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. Restricted reserves at the year end amounted to £93.32m (2020: £78.77m) and are represented in the balance sheet by endowment funds for a number of educational purposes, as set out in Notes 31 and 32. The College Council believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The College Council is mindful to maintain an equitable balance between the interests of current members of the College and future generations ('intergenerational equity').

11. PRINCIPAL RISKS AND UNCERTAINTIES

As this report is written in the Michaelmas term 2021, there is still a lot of uncertainty surrounding Covid-19, although the situation is significantly better than when writing a year ago in November 2020. Full cohorts of undergraduate and postgraduate students are in Cambridge in person, and most staff and students are double-vaccinated. However, testing continues and cases of Covid-19 are present in the University population. Despite this, it is very much hoped that 2021-22 will be as close to 'normal' as possible and that the impact on the College's finances will be much reduced – although the first three months of the new financial year 2021-22 (July to September 2021) have had very little in the way of commercial business (conferences and summer schools).

Until the onset of Covid-19, the biggest imminent uncertainty had been Brexit, and the nature of the exit deal. The impact of Brexit is now being felt most acutely in terms of staffing in departments such as Housekeeping and Catering, where lots of EU staff have left, and vacancies have been very hard to fill. There have also been supply chain and delivery issues. All of this is creating pressure on the College's operations, as well as on pricing and costs. Although fewer EU students are applying to study at British universities, Cambridge is still able to maintain its overall target student numbers, even if the composition of the non-UK student body is shifting gradually.

In this section in last year's accounts I referred to the following areas of uncertainty: the unpredictability of income from donations and legacies; the need to generate new income streams from the Dorothy Garrod Building to help meet the significant interest payments relating to the funding of the building; and the increasing costs of the two defined benefit pension schemes (USS and CCFPS) in which the College participates. These areas of uncertainty remain, but in particular I would highlight the USS once again as an increasingly major risk. The 2020 valuation of the scheme has highlighted a significant funding gap, which has led to the need for higher contributions by both employers and employees, and as well as a reduction in benefits. Union members are being balloted for industrial action this term, and if strikes were to take place once again, this would have a destabilising effect on the whole HE sector.

12. FUTURE PLANS

2020-21 was the first full financial year under the leadership of Alison Rose as the Principal. Celebrations of the College's 150th anniversary in 2021-22 have begun, and will lead on to a major fundraising campaign during the period of her Principalship.

OPERATING AND FINANCIAL REVIEW (continued)

A programme of refurbishment of the College's buildings is underway, with further plans to be developed on 'greening' the College estate, especially in relation to energy conservation, with a particular ambition to reduce the reliance on gas as an energy source. As a first step, one of the postgraduate houses was converted from using a gas boiler to an air source heat pump in the summer of 2021.

Returning the College to a sense of normality as the pandemic subsides is a task not without effort, and this is a priority for those responsible for the governance and running of the College.

Mr Christopher Lawrence
Bursar

15 November 2021

CORPORATE GOVERNANCE

The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

The College is a registered charity (registered number 1137512) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.

The Trustees are advised in carrying out their duties by a number of Committees, including: Academic Planning, Buildings Estate, Development, Environmental & Sustainability, Finance, Grants & Awards, IT, Library, Safety, and Stipends & Benefits.

The principal College officers are the Principal, Vice-Principal, Senior Tutor and Bursar.

It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College officers, the Domestic Bursar, and other members of the Governing Body.

There is a Register of Interests of Trustees. Declarations of interest are made systematically at all Governing Body, Council and Committee meetings. The College's Trustees during the year ended 30 June 2021 are set out on page 5.

STATEMENT OF INTERNAL CONTROL

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

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

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.

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

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

RESPONSIBILITIES OF THE COLLEGE COUNCIL AND THE GOVERNING BODY

The College Council is responsible for preparing the financial statements each year in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by Recommended Cambridge College Accounts. The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period.

In accordance with the College's Statutes, the College Council is responsible for the administration and management of the College's affairs. It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept which disclose with reasonable accuracy at any time the financial position of the College.

Statute XIX ('Accounts and Audit') in the College's Statutes sets out the Governing Body's responsibilities in relation to the accounts, including the appointment of the auditors. Clause 5 of Statute XIX states: "A meeting of the Governing Body shall be called to pass the accounts as soon as may be convenient in the Michaelmas Term."

In causing the financial statements to be prepared, the College Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The College Council 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 College Council has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud and other irregularities. Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

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

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY

For the Year Ended 30 June 2021

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

In our opinion the financial statements:

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

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

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

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

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

Other information
The other information comprises the information included in the report of the College Council and Governing Body, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY (continued)

the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

- the information given in the financial statements is inconsistent in any material respect with the report of the College Council and Governing Body; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees
As explained more fully in the trustees' responsibilities statement set out on page 21, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE COLLEGE COUNCIL AND GOVERNING BODY (continued)

the College this included data protection, health and safety, employment law and financial reporting.

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

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

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

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

Use of our report

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

PRICE BAILEY LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ Date:

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Consolidated Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in Note 7.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings are set out in Note 38. Intra-group balances are eliminated on consolidation. The activities of student societies have not been consolidated.

A separate balance sheet and related notes for the College are not included in the accounts because the subsidiary companies donate their profits to the College each year. The balance sheet for the College alone would not be materially different from 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (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.

Legacy Income
For legacies, entitlement is taken on a case by case basis as the earlier of the date on which the College is aware that probate has been granted and either: the estate has been finalised, final estate accounts have been received and notification has been made by the executors to the College that a distribution will be made; or when a notification has been made by the executors to the College of an intention to make a distribution prior to the end of the financial year and subsequently that distribution is received from the estate after the year end. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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

Total return
A total return policy is applied to the College's investment in securities. A unitised approach is taken with the investment portfolio, and the units are revalued each quarter taking account of investment performance. Under this total return policy, the average of the unit values at the end of each quarter for the preceding five years is calculated. 3.5% of this average unit value is applied to the number of units held at 1 July, and this is the amount of endowment return transferred shown as income in the Statement of Comprehensive Income and Expenditure. The whole total return is shown in the same statement as the gain/(loss) on investments.

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

Cambridge Bursary Scheme and CBS Top-up Bursary Scheme
In 2020-21, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received contributions from the University of Cambridge and from Trinity College towards this payment. There is also a Top-up Bursary Scheme, also supported by Trinity College.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The net payment by the College of £117k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income	(Note 1)	£241k
Expenditure	(Note 9)	£358k

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

Tangible fixed assets

Land and buildings
The buildings on the College's main site have been treated as tangible fixed assets and valued on the basis of their depreciated replacement cost. A valuation on 30 June 2019 was carried out by Gerald Eve LLP. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 65 years (previously this was 100 years). On revaluation, the expected life of a building is re-set to 65 years. Freehold land is not depreciated and the value of the land comprising the College's main site is included in the balance sheet.

Where land and buildings are acquired with the aid of specific bequests or donations they are capitalised and depreciated as above. The related benefactions are credited to a deferred capital account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred to the balance sheet date. They are not depreciated until they are brought into use.

Maintenance of properties
The cost of routine maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred.

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

Books, equipment, furniture and fittings	5%, 10% and 25% per annum
Catering heating and ventilation equipment	5% per annum
Major computer software	10% per annum
Computer equipment	25% per annum

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Heritage Assets
The College holds and conserves a number of collections, artefacts and other assets of historical, artistic or scientific interest. Heritage assets acquired before 1 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, to the extent to which they are material. Heritage assets have not been 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 benefit will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

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

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

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

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

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

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

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

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

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Taxation
The College is a registered charity (number 1135712) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

Pension schemes
The College participates in the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS). The schemes are both defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The assets and liabilities of the CCFPS are held separately. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme, and are accounted for on the basis of charging the cost of providing pensions over the period during which the institution benefits from the employees' services.

The assets of the USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure 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 College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

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

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

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Critical Accounting Estimates and Judgements

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in Note 9.

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 Notes 42a and 42b.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 42b.

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 the 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 the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Going concern

Whereas when the 2019-20 accounts were being finalised in November 2020, there was a great deal of uncertainty surrounding the progress of the Covid-19 pandemic, there is now much more confidence in the outcome of the pandemic as a result of successful vaccination programmes throughout the world.

The College's Finance Committee and Council have reviewed the budget for 2021-22 and also a five-year projection through to 2026-27. At the start of the 2021-22 academic year, student numbers are on target, and therefore both fee income and accommodation income are on target. Conference business is picking up once again, and the expectation is that it will be back to pre-Covid levels by the start of the 2022-23 financial year.

As a result of its assessment of the effects of the pandemic and the recovery from those effects, the College Council has confirmed the College's ability to continue in operation and on that basis it has adopted the going concern assumption within these financial statements. The College Council confirms the College's ability to continue as a going concern.

Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 30 June 2021

		2020-21				2019-20			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income	Note								
Academic fees and charges	1	3,305	241	-	3,546	3,122	192	-	3,314
Accommodation, catering and conferences	2	2,158	-	-	2,158	3,241	-	-	3,241
Investment income	3	641	-	-	641	175	-	-	175
Endowment return transferred	3	4,852	1,733	(6,585)	-	1,228	1,494	(2,722)	-
Other income	4	437	364	-	801	383	151	-	534
Total income before donations and endowments		**11,394**	**2,338**	**(6,585)**	**7,147**	**8,149**	**1,837**	**(2,722)**	**7,264**
Donations	5	1,474	401	-	1,875	1,544	692	-	2,236
New endowments	5	-	-	464	464	-	-	1,478	1,478
Total income		**12,868**	**2,738**	**(6,122)**	**9,485**	**9,693**	**2,529**	**(1,244)**	**10,978**
Expenditure									
Education	6,7,8,9	3,395	1,898	-	5,293	3,489	1,839	-	5,328
Accommodation, catering and conferences	6,10,11,14	5,322	-	-	5,322	5,592	-	-	5,592
Other expenditure	6,12,13	576	324	-	900	457	111	-	568
Total operating expenditure		**9,294**	**2,222**	**-**	**11,515**	**9,538**	**1,950**	**-**	**11,488**
Movement to pension provisions	20,30	(202)	-	-	(202)	(217)	-	-	(217)
Loan interest payable	21	1,021	-	-	1,021	1,036	-	-	1,036
Contribution to Colleges Fund under Statute G,II	22	16	-	-	16	-	-	-	-
Total expenditure		**10,129**	**2,222**	**-**	**12,350**	**10,357**	**1,950**	**-**	**12,308**
Deficit before other gains and losses		**2,739**	**517**	**(6,122)**	**(2,865)**	**(664)**	**579**	**(1,244)**	**(1,329)**
Gain on investments	3	8,908	3,032	17,169	29,108	3,389	1,095	6,550	11,034
Surplus before tax		**11,647**	**3,549**	**11,047**	**26,243**	**2,725**	**1,674**	**5,305**	**9,705**
Taxation		-	-	-	-	(1)	-	-	(1)
Surplus for the year		**11,647**	**3,549**	**11,047**	**26,243**	**2,724**	**1,674**	**5,305**	**9,704**
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		-	-	-	-	-	-	-	-
Actuarial gain/(loss) in respect of pension schemes	20,30	484	-	-	484	(274)	-	-	(274)
Total comprehensive income for the year		**12,131**	**3,549**	**11,047**	**26,727**	**2,450**	**1,674**	**5,305**	**9,430**

The notes on pages 37 to 58 form part of these accounts.

Consolidated Statement of Changes in Reserves

Year Ended 30 June 2021

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£000	£000	£000	£000	£000
At 1 July 2020	60,413	14,290	64,477	89,080	228,260
Surplus from income and expenditure statement	11,648	3,549	11,047	-	26,243
Other comprehensive income/(expenditure)	484	-	-	-	484
Release of deferred capital grants	(51)	-	-	-	(51)
Depreciation on buildings	405	-	-	(907)	(501)
Movement between Funds	40	(119)	79	-	-
At 30 June 2021	**72,939**	**17,720**	**75,603**	**88,173**	**254,435**
At 1 July 2019	57,392	12,657	59,172	89,661	218,882
Surplus from income and expenditure statement	2,724	1,674	5,305	-	9,704
Other comprehensive income/(expenditure)	(274)	-	-	-	(274)
Release of deferred capital grants	(51)	-	-	-	(51)
Movement between Funds	622	(41)	-	(581)	-
At 30 June 2020	**60,413**	**14,290**	**64,477**	**89,080**	**228,260**

Consolidated Balance Sheet

At 30 June 2021

	Note	2021 £000	2020 £000
Non-current assets			
Fixed assets	23	143,499	143,656
Investments	24	133,617	106,409
Total non-current assets		277,116	250,065
Current assets			
Stocks	25	93	93
Trade and other receivables	26	860	449
Cash and cash equivalents	27	2,294	4,305
Total current assets		3,247	4,847
Creditors: amounts falling due within one year	28	(1,446)	(1,229)
Net current assets		1,801	3,618
Total assets less current liabilities		278,917	253,683
Creditors: amounts falling due in more than one year	29	(21,921)	(22,175)
Provisions			
Pension provisions	30	(2,561)	(3,248)
Total net assets		**254,435**	**228,260**
Restricted reserves			
Income and expenditure reserve - endowment reserve	31	75,603	64,477
Income and expenditure reserve - restricted reserve	32	17,720	14,290
		93,323	**78,767**
Unrestricted reserves			
Income and expenditure reserve - unrestricted		72,742	60,413
Revaluation reserve		88,173	89,080
		160,915	**149,493**
Total reserves		**254,238**	**228,260**

These financial statements were approved by Newnham College Governing Body on 15 November 2021 and signed on its behalf by:

Miss Alison Rose (Principal)

Mr Christopher Lawrence (Bursar)

The notes on pages 37 to 58 form part of these accounts.

Consolidated Cash Flow Statement

Year Ended 30 June 2021

	Note	2020-21 £000	2019-20 £000
Net cash (outflow) from operating activities	33	**(1,832)**	**(548)**
Cash flows from investing activities	34	**1,078**	**1,205**
Cash flows from financing activities	35	**(1,257)**	**(1,311)**
(Decrease) in cash and cash equivalents in the year		**(2,011)**	**(654)**
Cash and cash equivalents at beginning of the year		**4,305**	**4,959**
Cash and cash equivalents at end of the year		**2,294**	**4,305**

The notes on pages 37 to 58 form part of these accounts.

Notes to the Accounts

1. ACADEMIC FEES AND CHARGES	2020-21	2019-20
	£000	£000
College fees:		
Fee income received at the Regulated Undergraduate rate (a)	1,571	1,551
Fee income received at the Unregulated Undergraduate rate (b)	652	554
Fee income received at the Postgraduate rate (c)	986	950
	3,209	3,055
Recoveries from other Colleges - teaching	52	34
Recoveries from other Colleges - shared appointments	44	33
Contribution towards Cambridge Bursary & Top-up Schemes	241	192
	3,546	**3,314**

(a) fee per student: £4,625 for undergraduates starting since 2017-18

(b) fee per student: £9,500 for undergraduates starting in 2020-21 (2019-20: £8,700) (2018-19: £8,100) (2017-18: £7,901)

(c) fee per student: £4,069 (2019-20: £3,909)

2. INCOME FROM ACCOMMODATION, CATERING AND CONFERENCES		2020-21	2019-20
		£000	£000
Accommodation	College members	1,872	1,949
	Conferences	-	460
Catering	College members	276	497
	Conferences	10	335
		2,158	**3,241**

3. INVESTMENT RETURN AND INVESTMENT INCOME	2020-21	2019-20
	£000	£000
3a. Analysis		
Total return contribution (see note 3b)	6,585	2,722
Quoted securities	-	-
CUEF distributions	506	-
Freehold land and buildings	130	156
Interest	5	19
Less: Excess of total return over investment income received	(6,585)	(2,722)
	641	175
3b. Summary of total return		
Income from:		
Freehold land and buildings	130	156
Quoted and other securities and cash	511	19
	641	175
Gains on investment assets		
Quoted and other securities	29,145	11,070
Investment management costs - quoted securities (see note 3c)	(37)	(37)
	29,108	11,033
Total return for the year	29,749	11,208
Total return transferred to income and expenditure reserve (see note 3a)	(6,585)	(2,722)
Total return for year included within Statement of Comprehensive Income and Expenditure	**23,164**	**8,486**

Notes to the Accounts

3. INVESTMENT RETURN AND INVESTMENT INCOME (continued)	2020-21	2019-20
	£000	£000
3c. Investment management costs		
Quoted securities	37	37
Freehold land and buildings	18	19

4. OTHER INCOME	2020-21	2019-20
	£000	£000
Roll & Development events	16	35
Contribution towards salary costs	51	41
VAT recoverable	55	51
Research grant from DfID/FCDO	364	151
Coronavirus Job Retention Scheme grant	281	230
Other	35	26
	801	**534**

5. DONATIONS, LEGACIES AND NEW ENDOWMENTS	2020-21	2019-20
	£000	£000
Unrestricted donations	1,423	1,493
Release from deferred capital grants	51	51
Restricted donations	401	692
New endowments	464	1,478
	2,339	**3,714**
Legacies	690	2,810
Donations	1,598	853
Release from deferred capital grants	51	51
	2,339	**3,714**

6a. OPERATING EXPENDITURE - 2020-21	Education (see note 7a)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
	£000	£000	£000	£000
Staff - direct	1,432	795	357	**2,584**
Staff - indirect (see note 18)	1,121	1,744	126	**2,991**
Total staff	**2,553**	**2,539**	**483**	**5,575**
Non-staff - direct	1,640	321	310	**2,271**
Non-staff - indirect	687	1,261	65	**2,014**
Depreciation	414	1,201	41	**1,656**
Total non-staff	**2,740**	**2,783**	**417**	**5,940**
Total	**5,293**	**5,322**	**900**	**11,515**

Notes to the Accounts

6b. OPERATING EXPENDITURE - 2019-20	Education (see note 7b)	Accomm, Catering and conferences (see notes 10,11 & 14)	Other (see notes 12 & 13)	Total
	£000	£000	£000	£000
Staff - direct	1,279	954	297	**2,530**
Staff - indirect (see note 18)	1,185	1,553	58	**2,796**
Total staff	**2,464**	**2,507**	**355**	**5,326**
Non-staff - direct	1,810	646	156	**2,612**
Non-staff - indirect	773	1,626	29	**2,428**
Depreciation	281	813	28	**1,122**
Total non-staff	**2,864**	**3,085**	**213**	**6,162**
Total	**5,328**	**5,592**	**568**	**11,488**

7a. EDUCATION EXPENDITURE - 2020-21	Staff direct (see note 8)	Staff indirect	Non-staff direct (see note 9)	Non-staff indirect	Dep'n	Total
	£000	£000	£000	£000	£000	£000
Teaching	897	445	87	286	207	1,923
Tutorial	117	316	66	173	124	796
Admissions	174	156	62	99	50	540
Research	237	104	29	61	17	447
Scholarships and awards	-	-	1,359	-	-	1,359
Other educational facilities	8	100	36	68	17	228
Total	**1,433**	**1,121**	**1,639**	**687**	**415**	**5,293**

7b. EDUCATION EXPENDITURE - 2019-20	Staff direct (see note 8)	Staff indirect	Non-staff direct (see note 9)	Non-staff indirect	Dep'n	Total
	£000	£000	£000	£000	£000	£000
Teaching	812	442	61	437	112	1,864
Tutorial	101	382	80	128	112	803
Admissions	170	161	130	95	34	590
Research	189	113	57	57	11	427
Scholarships and awards	-	-	1,437	-	-	1,437
Other educational facilities	7	88	46	54	11	207
Total	**1,279**	**1,186**	**1,811**	**771**	**280**	**5,328**

Notes to the Accounts

8. EDUCATION EXPENDITURE - STAFF-DIRECT	2020-21 £000	2019-20 £000
Directors of Studies, College Lecturers, Supervisors	624	564
Library staff	124	125
Research Fellows	229	182
Senior Tutor, Admissions Tutors, Tutors	198	173
Tutorial & Admisssions Office staff	215	201
Other (including Nurse)	43	34
Total	**1,433**	**1,279**

9. EDUCATION EXPENDITURE - NON-STAFF-DIRECT	2020-21 £000	2019-20 £000
Awards		
Cambridge Bursary & Top-up Schemes (funded by the College)	117	137
Cambridge Bursary & Top-up Schemes (funded by the Collegiate University)	241	192
Bursaries (mainly for undergraduates)	250	314
Studentships (mainly for postgraduates)	688	723
Travel and Book grants	51	59
Prizes	12	12
Total awards	**1,359**	**1,437**
Other		
Admissions	61	123
Tutorial	5	66
Research	29	53
Library	17	34
Contribution towards UTO	69	6
Counselling	62	47
Grants to clubs and societies	36	42
Miscellaneous	1	3
	280	374
Total	**1,639**	**1,811**

10. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - STAFF-DIRECT	2020-21 £000	2019-20 £000
Catering	724	865
Conferences	71	89
Total	**795**	**954**

Notes to the Accounts

11. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE - NON-STAFF-DIRECT	2020-21 £000	2019-20 £000
Catering	295	571
Conferences	26	75
Total	**321**	**646**

12. OTHER EXPENDITURE - STAFF-DIRECT	2020-21 £000	2019-20 £000
The Skilliter Centre for Ottoman Studies	41	41
The Margaret Anstee Centre for Global Studies	145	137
Research grant from DfID/FCDO	122	78
Academic support	49	41
Total	**357**	**297**

13. OTHER EXPENDITURE - NON-STAFF-DIRECT	2020-21 £000	2019-20 £000
The Skilliter Centre for Ottoman Studies	-	4
The Margaret Anstee Centre for Global Studies	7	21
Research grant from DfID/FCDO	202	33
Investment management and advice	58	55
Other	43	43
Total	**310**	**156**

14. ACCOMMODATION, CATERING, AND CONFERENCES EXPENDITURE		2020-21 £000	2019-20 £000
Accommodation	College members	3,859	3,635
	Conferences	40	168
Catering	College members	1,330	1,398
	Conferences	93	391
Total		**5,322**	**5,592**

15a. ANALYSIS OF 2020-21 EXPENDITURE BY ACTIVITY	Staff costs £000	Other operating expenses £000	Dep'n £000	Total £000
Education (see note 6a)	2,553	2,326	414	5,293
Accommodation, catering and conferences (see note 6a)	2,539	1,582	1,201	5,322
Other	483	376	41	900
Movement to pension provisions	-	(202)	-	(202)
Loan interest payable	-	1,021	-	1,021
Contribution to Colleges Fund under Statute G,II	-	16	-	16
	5,575	**5,119**	**1,656**	**12,350**

Notes to the Accounts

15b. ANALYSIS OF 2019-20 EXPENDITURE BY ACTIVITY	Staff costs	Other operating expenses	Dep'n	Total
	£000	£000	£000	£000
Education (see note 6b)	2,465	2,582	281	5,328
Accommodation, catering and conferences (see note 6b)	2,506	2,271	815	5,592
Other	355	185	28	568
Movement to pension provisions	-	(217)	-	(217)
Loan interest payable	-	1,036	-	1,036
Contribution to Colleges Fund under Statute G,II	-	-	-	-
	5,326	**5,857**	**1,124**	**12,307**

16. ANALYSIS OF EXPENDITURE	2020-21	2019-20
	£000	£000
Operating expenses include:		
Audit fee payable to the College's external auditors	18	19
Cost of fundraising	373	286
Investment management costs - commercial property	19	19
Investment management costs - securities and cash	37	37

17a. STAFF COSTS 2020-21	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,432	1,121	2,553
Accommodation, catering and conferences	795	1,744	2,539
Other	357	126	483
	2,584	**2,991**	**5,575**

17b. STAFF COSTS 2019-20	Staff direct	Staff indirect	Total
	£000	£000	£000
Education	1,278	1,186	2,464
Accommodation, catering and conferences	954	1,553	2,507
Other	297	58	355
	2,529	**2,797**	**5,326**

Notes to the Accounts

18. ANALYSIS OF STAFF INDIRECT EXPENDITURE	2020-21 £000	2019-20 £000
Housekeeping	703	725
Gardens	178	178
Maintenance	389	395
Porters' Lodge	362	330
Principal, Vice-Principal, Bursars	352	334
Bursary, HR, Principal's Secretary	424	366
IT	99	113
Development, Communications	369	299
Archive, Collections	40	33
CCFPS deficit recovery payment	30	24
Holiday accrual	45	-
Total	**2,991**	**2,797**

Notes to the Accounts

19. STAFF COSTS	Academic	Non-Academic	Total
	£000	£000	£000
2020-21			
Staff Costs			
Salaries	763	3,442	4,205
National Insurance	60	268	328
Pension costs	149	631	780
External teaching costs	262	-	262
	1,234	**4,341**	**5,575**
2019-20			
Staff Costs			
Salaries	667	3,358	4,025
National Insurance	44	263	307
Pension costs	133	600	733
External teaching costs	262	-	262
	1,106	**4,221**	**5,327**

	Academic	Non-Academic	Total
Average staff numbers (non-FTE) - 2020-21	57	144	201
Average staff numbers (non-FTE) - 2019-20	54	162	216

The figures above show the average number of people paid through the College payroll, irrespective of the hours worked.

Average non-academic staff numbers (FTE) - 2020-21	n/a	125	125
Average non-academic staff numbers (FTE) - 2019-20	n/a	132	132

The figures above show the average number of FTE persons paid through the payroll.

Average number of Fellows - 2020-21	60	7	67
Average number of Fellows - 2019-20	59	6	65
Number of Fellows as at 1 October 2021	60	7	67
Number of Fellows as at 1 October 2020	60	7	67
Number of Fellows as at 1 October 2019	57	6	63

Non-academic staff who are Fellows (i.e. Domestic Bursar. Development Director, Librarian) are included in the Fellows' figures. The Principal is not included in the Fellows' figures.

During the financial year 2020-21 62 Fellows received remuneration (2019-20: 55).

The number of officers or employees of the College, including the Principal, who received remuneration in the following ranges was:

	2020-21	2019-20
£100,000 - £110,000	-	1
£120,000 - £130,000	1	1
£130,000 - £140,000	1	-

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits whether paid, payable or provided, gross of any salary sacrifice arrangements.

Notes to the Accounts

19. STAFF COSTS (continued)

Key management personnel

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

	2020-21 £000	2019-20 £000
Aggregated remuneration	317	307

The total remuneration for persons who served as Trustees (members of the College Council) in 2020-21 was £372k (2019-20: £364k).

20. PENSION COSTS OF CCFPS & USS	**CCFPS £000**	**USS £000**	**Total £000**
2020-21			
Brought Forward	1,616	1,632	3,248
Contributions	(57)	(721)	(778)
Charge to Income and Expenditure	102	473	575
Net charge to Income and Expenditure	45	(248)	(203)
Charge to Other comprehensive income	(484)	-	(484)
Carried Forward	1,177	1,384	2,561
2019-20			
Brought Forward	1,321	1,870	3,191
Contributions	(87)	(647)	(734)
Charge to Income and Expenditure	108	409	517
Net charge to Income and Expenditure	21	(238)	(217)
Charge to Other comprehensive income	274	-	274
Carried Forward	1,616	1,632	3,248

21. LOAN INTEREST PAYABLE	**2020-21 £000**	**2019-20 £000**
Bank loan	197	212
Private placement 1	511	511
Private placement 2	313	313
Total	**1,021**	**1,036**

Further information on the bank loan and private placements can be found in note 29.

Notes to the Accounts

22. CONTRIBUTION TO COLLEGES FUND UNDER STATUTE G,II	2020-21 £000	2019-20 £000
Contribution	16	-

Every College in the University is required to make an annual contribution based on the value of its assessable assets.

23. FIXED ASSETS	College Land £000	College Buildings £000	Furniture & Equipment £000	2020-21 Total £000	2019-20 Total £000
Cost or valuation					
At 1 July 2020	50,342	92,873	2,921	146,136	145,983
Additions	-	1,189	310	1,499	181
Disposals	-	-	(204)	(204)	(28)
	50,342	**94,062**	**3,027**	**147,431**	**146,136**
Depreciation					
At 1 July 2020	-	929	1,551	2,480	1,384
Charge for the year	-	1,447	209	1,656	1,124
Eliminated on disposals	-	-	(204)	(204)	(28)
	-	**2,376**	**1,556**	**3,932**	**2,480**
Net Book value					
At 30 June 2021	50,342	91,686	1,471	143,499	143,656
At 1 July 2020	50,342	91,944	1,370	143,656	144,599

A valuation of College properties was carried out by Gerald Eve, Chartered Surveyors, at 30 June 2019 on the basis of market value for existing use, plus current gross replacement costs of improvements, less allowance for physical deterioration and obsolesence.

The freehold College buildings at 30 June 2021 were insured at reinstatement costs of £105.2m.

Notes to the Accounts

24. INVESTMENTS	2020-21 £000	2019-20 £000
At 1 July 2020	106,409	96,585
Additions	24,000	-
Disposals	(25,937)	(1,210)
Gain	29,145	11,034
At 30 June 2021	**133,617**	**106,409**
Represented by:		
Estate properties (held directly)	3,525	3,525
Properties (held indirectly via funds)	4,787	4,472
Quoted securities - equities (held indirectly via funds)	118,037	90,638
Quoted securities - fixed interest (held indirectly via funds)	3,880	3,899
Unquoted (held indirectly via funds)	3,288	3,657
Cash held for reinvestment	100	218
	133,617	**106,409**

At 30 June 2019, a valuation of the investment properties was carried out by on an open market value for existing use basis by Gerald Eve, Chartered Surveyors. The Trustees have in place a policy to revalue professionally every 3-4 years, but consider each year whether the market value of the properties has materially changed. Any material change in market value will be reflected in a revaluation movement in the year in question. The Trustees have considered the market value at the end of the current financial year and have deemed that the value has not materially moved since the previous professional valuation.

25. STOCKS AND WORK IN PROGRESS	2020-21 £000	2019-20 £000
Food and drink	35	25
Wine	36	41
Cleaning materials and other	22	27
	93	**93**

26. TRADE AND OTHER RECEIVABLES	2020-21 £000	2019-20 £000
Taxes due from government departments	24	20
Grants receivable	42	120
Other receivables	94	53
Prepayments and accrued income	700	256
	860	**449**

Notes to the Accounts

27. CASH AND CASH EQUIVALENTS	2020-21 £000	2019-20 £000
Current accounts	2,293	4,304
Cash in hand	1	1
	2,294	**4,305**

28. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2020-21 £000	2019-20 £000
Trade creditors	210	123
Loan repayments	248	230
Taxes and social security costs	-	93
Student deposits and accounts	250	197
Accruals and deferred income	738	586
	1,446	**1,229**

29. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2020-21 £000	2019-20 £000
Bank loan	3,341	3,595
Private placement 1 liability	11,580	11,580
Private placement 2 liability	7,000	7,000
	21,921	**22,175**

The bank loan is secured on certain College freehold properties and is subject to interest fixed under a swap agreement at 5.24% for 25 years from 2007. Repayments commenced in 2007 and will be made over the 25 years to June 2032.
The first private placement bond of £11,580,000 is repayable in two tranches, of £6,433,333 on 30 October 2043 and £5,146,667 on 30 October 2053 and is subject to a fixed rate of interest of 4.40%.
The second private placement bond of £7,000,000 is repayable on 31 January 2044 and is subject to a fixed rate of interest of 4.45%.

30. PENSION PROVISIONS	2020-21 £000	2019-20 £000
At 1 July 2020	3,248	3,190
Movement in year:		
Current service cost including life assurance	575	518
Contributions	(778)	(734)
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(484)	274
At 30 June 2021	**2,561**	**3,248**

Notes to the Accounts

31. ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

2020-21	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Total 2020-21 £000
At 1 July 2020	45,129	19,348	64,477
New donations and endowments	464	-	464
Transfer between funds	79	-	79
Increase in market value of investments	9,616	967	10,583
At 30 June 2021	**55,288**	**20,315**	**75,603**
Analysis by type of purpose:			
Fellowship Funds	20,497	-	20,497
Scholarship Funds	8,483	-	8,483
Prize Funds	476	-	476
Hardship Funds	6,944	-	6,944
Research Funds	16,692	-	16,692
Book Funds	1,091	-	1,091
Other Funds	1,105	-	1,105
General Endowments	-	20,315	20,315
	55,288	**20,315**	**75,603**

2019-20	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Total 2019-20 £000
At 1 July 2019	40,185	18,987	59,172
New donations and endowments	1,477	-	1,477
Increase in market value of investments	3,467	361	3,828
At 30 June 2020	**45,129**	**19,348**	**64,477**
Analysis by type of purpose:			
Fellowship Funds	16,784	-	16,784
Scholarship Funds	6,855	-	6,855
Prize Funds	393	-	393
Hardship Funds	5,525	-	5,525
Research Funds	13,762	-	13,762
Book Funds	899	-	899
Other Funds	911	-	911
General Endowments	-	19,348	19,348
	45,129	**19,348**	**64,477**

Notes to the Accounts

32. RESTRICTED RESERVES

Reserves with restrictions are as follows:

2020-21	Permanent unspent £000	Restricted expendable endowment £000	2020-21 £000
At 30 June 2020	2,522	11,768	14,290
New grants and donations	-	642	642
Investment income	1,392	341	1,733
Expenditure	(876)	(1,021)	(1,898)
Transfer between funds	6	(85)	(79)
Increase in market value of investments	545	2,487	3,032
At 30 June 2021	**3,589**	**14,131**	**17,720**
Analysis by type of purpose:			
Fellowship Funds	1,174	3,913	5,087
Scholarship Funds	1,124	1,703	2,827
Prize Funds	104	164	267
Hardship Funds	442	5,002	5,444
Research Funds	487	138	625
Book Funds	75	2,071	2,145
Other Funds	184	1,141	1,325
	3,589	**14,131**	**17,720**

2019-20	Permanent unspent £000	Restricted expendable endowment £000	2019-20 £000
At 30 June 2019	2,040	10,617	12,657
New grants and donations	-	1,036	1,036
Investment income	1,194	300	1,494
Expenditure	(890)	(1,061)	(1,951)
Transfer between funds	-	(40)	(40)
Increase in market value of investments	178	916	1,094
At 30 June 2020	**2,522**	**11,768**	**14,290**
Analysis by type of purpose:			
Fellowship Funds	816	3,178	3,994
Scholarship Funds	836	1,529	2,365
Prize Funds	74	143	217
Hardship Funds	292	4,194	4,486
Research Funds	319	111	430
Book Funds	53	1,668	1,721
Other Funds	132	945	1,077
	2,522	**11,768**	**14,290**

Notes to the Accounts

33. RECONCILIATION OF CONSOLIDATED SURPLUS FOR THE YEAR TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	2020-21 £000	2019-20 £000
Surplus for the year	26,243	9,704
Adjustment for non-cash items		
Depreciation and movements to Revaluation Reserve	1,155	1,124
(Gain) on endowments, donations and investment property	(29,145)	(11,034)
(Increase) in stocks	-	(1)
(Increase)/decrease in trade and other receivables	(411)	8
Increase/(decrease) in creditors	199	(942)
(Decrease)/increase in provisions	(686)	57
Pension costs less contributions payable	484	(274)
Release of deferred capital grants	(51)	(51)
Adjustment for investing or financing activities	-	-
Investment income receivable	(641)	(175)
Interest payable	1,021	1,036
Net cash inflow/(outflow) from operating activities	**(1,832)**	**(548)**

34. CASH FLOWS FROM INVESTING ACTIVITIES	2020-21 £000	2019-20 £000
Non-current investment disposal	25,936	1,210
Investment income received	641	175
Endowment funds invested	(24,000)	-
Payments made to acquire non-current assets	(1,499)	(181)
Total cash flows from investing activities	**1,078**	**1,204**

35. CASH FLOWS FROM FINANCING ACTIVITIES	2020-21 £000	2019-20 £000
Interest paid	(1,021)	(1,036)
Repayments of amounts borrowed	(236)	(275)
Total cash flows from financing activities	**(1,257)**	**(1,311)**

36. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT	At 1 July 2020 £000	Cash Flows £000	At 30 June 2021 £000
Cash and cash equivalents	4,305	(2,011)	2,294
Borrowings: amounts falling due within one year			
Secured loans	(230)	(18)	(248)
Borrowings: amounts falling due after more than one year			
Secured loans	(22,175)	254	(21,921)
	(18,100)	**(1,775)**	**(19,875)**

Notes to the Accounts

37. RELATED PARTY TRANSACTIONS

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

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

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

Fellows are remunerated for teaching, reasearch and other duties within the College. Fellows are billed for any private catering. The Trustees remuneration is overseen by the College Council.

The salaries paid to Trustees (after salary exchange) in the year are summarised in the table below.

From	To	2020-21 Number	2019-20 Number
£0	£10,000	**10**	**7**
£10,0001	£20,000	**-**	**2**
£20,0001	£30,000	**-**	**-**
£30,0001	£40,000	**1**	**1**
£40,0001	£50,000	**-**	**-**
£50,0001	£60,000	**-**	**-**
£60,0001	£70,000	**-**	**-**
£70,0001	£80,000	**-**	**1**
£80,0001	£90,000	**-**	**1**
£90,0001	£100,000	**2**	**-**
Total		**13**	**12**

The total Trustee salaries (after salary exchange) were £276k for the year (2019-20: £251k).

The trustees were also paid other benefits (including associated employer National Insurance contributions and employer contributions to pensions) and other taxable benefits which totalled £96k (2019-20: £113k).

38. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly-owned by the College, are as follows:

Company	Principal Activity
Newnham College Library Company Ltd	Inactive
Newnham College Management Ltd	Provision of maintenance and construction projects
Newnham College Ltd	Inactive

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.

Notes to the Accounts

39. FINANCIAL COMMITMENTS

At 30 June 2021 and 30 June 2020 the College had no annual commitments under non-cancellable operating leases. The College has committed to investing in various private equity funds over approximately the next two years as at June 2021. A total of £0.7m (2020: £0.7m) may be called up for investment at any point during that period, but this is not a liability, it would be a reclassification of College investments.

	2020-21	2019-20
	£000	£000
Capital commitments at 30 June 2021 are as follows:		
Authorised and contracted for	670,558	-

40. CONTINGENT ASSETS

Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met at the year end, then the legacy is treated as a contingent asset. At the balance sheet date contingent legacy assets are estimated to be: £676,825 (2020: £350,735).

41. POST BALANCE SHEET EVENTS

Since the year end, following the completion of the 2020 USS actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed and become effective, post year end. This results in an increase of £2,470,086 in the provision for the obligation to fund the deficit on the USS pension which would instead be £3,854,247. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022.
If the Joint Negotiating Committee (JNC) recommmended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £4,771,457 in the provision for the obligation to fund the deficit on the USS pension which would instead be £6,155,618.

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme

The College participates in a multi-employer defined benefit plan, the Cambridge Colleges' Federated Pension Scheme. At 30 June 2021 Newnham College had 4 active members participating in the plan.

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

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

	2020-21	2019-20
	% p.a.	% p.a.
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 increases in payment (RPI Max 5% p.a.)	3.30	3.00
Pension increases in payment (CPI Max 2.5% p.a.)	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_2019 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for addtional improvements). This results in the following life expectancies:

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

Employee Benefit Obligations

The amounts recognised in the Balance Sheet as at 30 June 2021 (with comparative figures as at 30 June 2020) are as follows:

	2020-21	2019-20
	£000	£000
Market value of plan assets	(6,865)	(7,074)
Net defined benefit asset/(liability)	5,688	5,458
	(1,177)	**(1,616)**

The amounts to be recognised in the Income and Expenditure for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2020-21	2019-20
	£000	£000
Current service cost	68	68
Administrative expenses	11	11
Interest on net defined benefit (asset)/liability	24	30
Total	**102**	**108**

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

Changes in the present value of the plan liabilities for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2020-21	2019-20
	£000	£000
Present value of plan liabilities at the beginning of the year	7,074	6,489
Current service cost	68	68
Benefits paid	(232)	(205)
Interest on plan liabilities	101	144
Actuarial (gains)/losses	(147)	578
Present value of plan liabilities at the end of the year	**6,865**	**7,074**

Changes in the fair value of the plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2020-21	2019-20
	£000	£000
Market value of plan assets at the beginning of the year	5,458	5,168
Contributions paid by the College (employer contribution)	45	39
Contributions paid by the College (employee contribution - salary exchange)	12	13
Contributions paid by the College (funding shortfall)	-	24
Contributions paid by the College (administration fee)	-	11
Benefits paid	(232)	(205)
Administrative expenses	(15)	(15)
Interest on plan assets	78	115
Return on assets, less interest included in Income and Expenditure	341	308
Market value of plan assets at the end of the year	**5,688**	**5,458**
Actual return on plan assets	419	423

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2020-21	2019-20
Equities	48%	0%
Bonds and cash	42%	41%
Property	10%	10%
Total	**100%**	**100%**

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

Analysis of the measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2020-21	2019-20
	£000	£000
Return on assets, less interest included in the Income and Expenditure	341	308
Expected less actual plan expenses	(4)	(4)
Experience gains and losses arising on plan liabilities	64	(60)
Changes in assumptions underlying the present value of plan liabilities	83	(518)
Remeasurement of net defined benefit liability recognised in OCI	**484**	**(274)**

Notes to the Accounts

42. PENSION SCHEMES

(a) Cambridge Colleges Federated Pension Scheme (continued)

Movement in net defined benefit asset/(liability) during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2020-21	2019-20
	£000	£000
Net defined benefit asset/(liability) at beginning of year	(1,616)	(1,321)
Recognised in Income and Expenditure	(102)	(108)
Contributions paid by the College	45	87
Remeasurement of net defined benefit liability recognised in OCI	484	(274)
Net defined benefit asset/(liability) at end of year	**(1,189)**	**(1,616)**

Funding Policy

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as 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 as at 31 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 21 May 2021 and are as follows:

Contributions of £24,375 paid in January 2021 and £6,095 in April 2021;

Annual contributions of nil payable for the period 21 May 2021 to 30 June 2021; and

Annual contributions of not less that £9,244 per annum payable for the period from 1 July 2021 to 31 March 2027.

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

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme

The College participates in the Universities Superannuation Scheme (the scheme). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income and expenditure account.

Deficit recovery liability

The total cost charged to the income and expenditure account for the College and subsidiaries in 2019-20 is -£248k (2019-20: £1,394k).

As at 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method.

Since the year end the valuation as at 31 March 2020 was signed and filed with the Pension Regulator with an effective date of 1 October 2021. As the new valuation was not in place af the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the yer ended 30 June 2022.

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

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

The key financial assumptions used in the 2018 valuation are described below.

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

Mortality base table	
Pre- retirement	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
Post-retirement	97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

Notes to the Accounts

42. PENSION SCHEMES

(b) Universities Superannuation Scheme (continued)

The current life expectancies on retirement at age 65 are:

	2020-21	2019-20
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

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

	2020-21	2019-20
Discount rate	1.1%	1.1%
Pensionable salary growth	2.7%	2.7%