ST JOHN'S COLLEGE
CAMBRIDGE

Annual Report
and
Financial Statements

for the year ended
30 June 2020

Registered Charity number 1137428

Contents

Trustees' Report

REFERENCE AND ADMINISTRATIVE INFORMATION

Status

St John's College, Cambridge was founded in 1511 by Lady Margaret Beaufort, the mother of Henry VII, and is one of the largest of the 31 colleges within the University of Cambridge, each of which is an independent, self-governing, body with its own property and income. Formerly an exempt charity, the College became a registered charity on 1 August 2010 with registration number 1137428 and is subject to regulation by the Charity Commission for England and Wales. The formal title of the College is the 'College of St John the Evangelist in the University of Cambridge'. The short title is 'St John's College, Cambridge'.

Address and website

St John's Street
Cambridge
CB2 1TP

www.joh.cam.ac.uk

Charity trustees

The charity trustees of the College, who are the members of the College Council, during the year were:

The Master, Professor Sir Christopher Dobson (Chair) (to 8 September 2019)
The Vice-Master, Professor Tim Whitmarsh (Chair) (from 1 October 2019)
Mr Chris Ewbank
Dr Helen Watson
Professor Graham Burton
Professor Ben Simons
Professor Jason Robinson
Mr Stephen Teal
Professor Christine Gray
Professor John Rink
Dr Frank Salmon (to 30 September 2019)
Professor Robert Tombs (to 30 September 2019)
Dr Tom Hynes (to 30 September 2019)
Professor Máire Ní Mhaonaigh (to 30 September 2019)
Dr Steve Edgley (from 1 October 2019)
Dr Paul Wood (from 1 October 2019)
Professor Chris Jiggins (from 1 October 2019)
Professor Ulinka Rublack (from 1 October 2019)

Senior Officers

Master (or Head of House)	Mrs Heather Hancock (from 1 October 2020)
	Professor Sir Christopher Dobson (to 8 September 2019)
Vice-Master	Professor Tim Whitmarsh (to 30 September 2020)
President	Dr Frank Salmon (to 30 September 2019)
	Dr Steve Edgley (from 1 October 2019)
Senior Tutor	Dr Annis May Timpson (to 31 August 2020)
	Dr Mark Nicholls (from 1 September 2020)
Senior Bursar	Mr Chris Ewbank

Membership of the Governing Body

The members of the Governing Body of the College as at 1 October 2020 are set out below:

Master: Mrs Heather Hancock

President: Dr Steve Edgley

Other Fellows (in order of election)

Dr Ben Garling
Dr George Reid
Professor Patrick Boyde
Dr John Leake
Dr Alan Macfarlane
Professor David McMullen
Dr Keith Matthews
Mr Ray Jobling
The Rev. Dr Andrew Macintosh
Professor Jim Staunton
Professor Malcolm Clarke
Professor John Iliffe
Professor Malcom Schofield
Professor Roger Griffin
Professor Tim Bayliss-Smith
Professor Steve Gull
Dr Howard Hughes
Dr Peter Goddard
Professor Peter T Johnstone
Professor Ian Hutchings
Professor Richard Beadle
Dr John Hutchison
Dr Derek Wight
Professor Sir Richard Friend
Dr Robin Glasscock
Professor Robert Tombs
Dr Dick McConnel
Professor David Midgley
Professor Peter Matthews
Dr Martin Richards
Professor John Kerrigan
Professor Graham Burton
Professor Geoff Horrocks
Professor Sir Partha Dasgupta
Dr Hugh Matthews
Professor Jane Heal
Dr Tom Hynes
Professor Nick McCave
Dr Andrew C (Ricky) Metaxas
Colonel Richard Robinson
Professor Simon Conway Morris
Professor Ernest Laue
Professor Robert Evans
Dr Sue Colwell
Dr Helen Watson
Dr Joe McDermott
Professor Cristel Lane
Dr Christopher Robinson
Professor Yuri Suhov
Professor Simon Szreter
Professor Deborah Howard
Professor Manucha Lisboa
Professor Ulinka Rublack
Professor Ben Simons
Professor Máire Ní Mhaonaigh
Professor Duncan McFarlane
Professor Christine Gray
Dr Ian Winter
Professor Nick Manton
Dr Neil Arnold
Dr Stefano Castelvecchi
Professor Ann Louise Kinmonth
Professor Janet Lees
Professor Andrew Wyllie
Professor Stefan Reif
Dr David Stuart
Dr Mark Nicholls
Dr Matthias Dörrzapf
Dr Pierpaolo Antonello
Dr Preston Miracle
Professor Andy Woods
Commodore John Harris
Professor Serena Best
Dr Petra Geraats
Dr Paul Wood
Professor Emily Gowers
Professor Usha Goswami
Professor Richard Samworth
Professor Graeme Barker
Dr David Williams
Miss Sylvana Tomaselli
Mr Chris Ewbank
Dr Frank Salmon
Dr Chris Warnes
Professor Chris Jiggins
Mr Stephen Teal
Mr Andrew Nethsingha
Dr Tomas Larsson
Dr Robert Mullins
Professor Toumas Knowles
Professor Jason Robinson
Dr Georgina Evans
Professor Mete Atatüre
Professor Zoubin Ghahramani
Professor John Rink
Professor Erwin Reisner
Professor Ole Paulsen
Professor Kristian Franze
Professor Austen Lamacraft
Professor Uta Paszkowski
Dr Nathan MacDonald
Dr John Taylor
Dr Andrew Arsan
Dr Meredith Crowley
Professor Michael De Volder
Dr Hannah Joyce
Dr Orietta Da Rold
Professor Albertina Albors-Llorens
Professor Tim Whitmarsh
Dr Edward Tipper
Mr Tim Watts
Dr Adam Chau
Dr Graham Ladds
Professor Richard Gilbertson
Dr Fleur Kilburn-Toppin
Professor Eske Willerslev
Dr Andy Wheeler
Dr Gabriella Santangelo
Dr Laura Torrente Murciano
Dr Jodi Gardner
Dr Ruth Abbott
Dr Nick Blunt
Dr Adam Bales
Dr Tristan Brown
Dr Dorian Gangloff
Ms Helen Murley
Canon Mark Oakley
Professor Eric Miska
Dr Jean Abraham
Dr John Weisweiler
Dr Giuliana Fusco
Dr Ester Salgarella
Dr Helen McCarthy
Dr Joana Meier
Dr Stephanie Mawson
Dr Dhruv Ranganathan
Dr Jack Smith
Dr Rebecca Shercliff
Dr Kadi Saar
Dr Talitha Kearey
Dr Morag Morrison-Helme
Dr Morgan Ng
Dr Matt Lampitt
Ms Anna Plumridge
Dr Isabelle Roland
Dr Victoria Harvey
Dr Amanda Sferruzzi-Perri
Professor Alexander Bird
Dr Alexander Wong
Dr Christiana Scheib
Mr Jules O'Dwyer
Professor Buzz Baum
Dr Nick Friedman
Ms Lucy McDonald
Mr Virgil Andrei

Principal Advisers

Actuaries	Cartwright Group Ltd, 250 Fowler Avenue, Farnborough Business Park, Farnborough, Hants, GU14 7JP
Auditor	Crowe U.K. LLP, 55 Ludgate Hill, London, EC4M 7JW
Bankers	Barclays Bank PLC, PO Box 885, Mortlock House, Histon, Cambridge, CB24 9DE
Investment Consultant	Willis Towers Watson Ltd, 51 Lime Street, London, EC3M 7DQ
Property Advisers	Savills (L&P) Ltd, Unex House, 132-134 Hills Road, Cambridge, CB2 2PA
	Savills (L&P) Ltd, Wytham Court, 11 West Way, Oxford, OX2 0QL
	Carter Jonas LLP, One Station Square, Cambridge, CB2 1GA
Solicitors	Mills & Reeve LLP, Botanic House, 100 Hills Road, Cambridge, CB2 1PH

GOVERNANCE

The Governing documents of the College are its letters patent of 7 August 1509, its deed of foundation of 9 April 1511 and its Statutes of 1926 as variously amended from time to time (the Statutes). The Statutes describe, among other things, the membership and responsibilities of the Governing Body and Council; the election and duties of the Master and President; the election, admission, tenure and removal of Fellows; and the appointment and duties of College officers. The Statutes are supplemented by orders for the regulation of the College's affairs, made by the Council in accordance with the Statutes.

The members of the College Council, which is responsible for the day-to-day administration of the affairs of the College, are the charity trustees and are responsible for ensuring compliance with charity law. The members of the Council are the Master and twelve Fellows elected by the College's Governing Body for rotating four year terms. The members of the Council during the year ended 30 June 2020 are set out in 'Reference and administrative information' on page 1.

The Governing Body of the College consists of the Master and all Fellows, and is the ultimate authority in the government of the College. It meets termly or more frequently as necessary.

All members of the Council are given, on appointment, an induction pack containing key Charity Commission guidance on public benefit and the good governance of charities, and the policy of the College for the management of conflicts of interest. Members of the Council are also required to complete a Register of Interests and declarations of interest are made systematically at meetings.

Elected representatives of the junior members of the College attend College Council meetings for the discussion of matters directly affecting the interests of undergraduates and post-graduates.

The Master of the College is elected to office by the Fellows for a fixed term or until earlier resignation. He/she is responsible for general oversight of the affairs of the College. The Master chairs the Governing Body and the Council. In the event of incapacity of the Master or a vacancy in the Mastership, a Vice Master is appointed to act in the Master's place.

The other College officers most involved in the governance of the College are as follows: the President, who is elected by the Fellows for a period of up to four years and, among other duties, acts as the Master's deputy in his/her absence; the Senior Tutor, who has overall responsibility for the admission, education and welfare of students; the Deans, who are responsible for overseeing the Chapel and the conduct of junior members of the College; the Senior Bursar, who is responsible for managing the College's finances; and the Domestic Bursar, who manages the domestic affairs of the College.

It is the duty of the Council to keep under review the effectiveness of the College's internal systems of financial and other controls. The Council appoints the Audit Committee of the Council whose duty it is to advise the Council on the appointment of external auditors; to consider reports submitted by the auditors; to monitor the implementation of recommendations made by the auditors; and to monitor risk management and control arrangements. The Audit Committee of the Council makes an annual report to the Council. Membership of the Audit Committee of the Council comprises three members of the Council who are not College Officers. The Council also appoints a separate Audit Committee (Board of Scrutiny) which acts as a Board of Scrutiny and reports to the Governing Body.

St John's College School has its own Governors, who are appointed by the College Council. As at 30 June 2020, six of the twelve Governors of the School were Fellows of the College. The School Governors are responsible to the College Council for the educational policy, management and finances of the School.

The Visitor of the College is the Bishop of Ely.

OBJECTS AND AIMS

Objects

The charitable objects of the College are, for the public benefit, to advance education, religion, learning and research, particularly but not exclusively through the provision of a College within the University of Cambridge and through the provision of facilities for, and the conduct of, divine service within the College.

Aims

The College has developed a series of aims that summarise its approach to achieving its charitable objects, which are:

- To admit students on the basis of academic ability and potential alone irrespective of financial circumstances and social, religious or ethnic background, to preserve the College's ability to select the best students and to provide financial support to students;
- To maintain a balanced mix of undergraduate, taught post-graduate and research post-graduate students, and to preserve a broad range of academic activity whilst remaining small enough to retain a sense of community and individuality;
- To deliver an outstanding education for undergraduates and post-graduate students, and to sustain the supervision and tutorial welfare systems that are pivotal to the University's tradition of excellence;
- To encourage and support research of international importance by Fellows and post-graduate students, and to introduce undergraduates to the nature and excitement of original research;
- To carry forward the tradition, maintained continuously since its foundation, of being a place of reflection on matters of religious faith;
- To provide outstanding social, cultural, musical and sporting opportunities that are a key part of the experience offered by the College and which contribute to the personal development of its members;
- To conserve and enhance the College's historic buildings and grounds, an important part of the world's architectural heritage, whilst at the same time providing first-class facilities and infrastructure for the activities that take place within them;
- To preserve the College's independence and self-determination, which with that of other Colleges is a fundamental ingredient in the diversity and success of the collegiate University;
- To take a lead in sustaining and enhancing the ability of the University to continue as one of the world's very top academic institutions, in the face of increasing international competition;
- To recognise and value all our alumni as life-long members of the College community, appreciated for their continuing involvement in, and support of, the College; and

- To operate on a sustainable basis, deploying our resources in a way that preserves intergenerational equity, and living within our means.

The aims of St John's College School are:

- To educate and accommodate as boarders the Choristers of St John's College Choir who are admitted on the basis of vocal and musical ability;
- Otherwise, to continue a largely non-selective admissions policy;
- To offer an outstanding education that fosters the aptitudes and nurtures the growth of each pupil at the School;
- To match its commitment to academic excellence with outstanding non-academic tuition and activities to provide a rich and fulfilling curriculum;
- To give the highest priority to pastoral care and to provide excellent boarding provision;
- To foster a genuine sense of community among pupils, parents and staff as well as past pupils and parents; and
- To offer significant financial support through fee remission and bursaries.

ACTIVITIES, PERFORMANCE AND FUTURE PLANS

Introduction

In setting objectives and planning activities, the College Council has given careful consideration to the Charity Commission's general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing education, advancing religion and on fee-charging.

The principal objectives of the College for the year were: to continue to strengthen the College's access and outreach programme; to enhance the very substantial financial support provided to its students; to strengthen the teaching capabilities of the College; to continue to improve academic performance in Tripos exams; to continue to contribute to the research capabilities of the University through the College's Research Fellowship and other schemes; to continue to provide opportunities for University post-doctoral researchers to become associated with the College; and to continue the College's successful fundraising programme.

The Impact of COVID-19 on College Activities

The outbreak of the COVID-19 pandemic, and related lockdown and restrictions, had a major impact on all the colleges within the University of Cambridge, the University itself, and the communities to which our members belong both nationally and internationally. The most noticeable impact in College was the departure of the majority of our students who returned home just before the end of Lent term, and staff and Fellows who very rapidly adapted to working remotely. The College did not close completely however, as over 100 students remained in College accommodation along with 30 resident Fellows, and a skeleton on-site staff continued to provide security, catering, maintenance and cleaning services. Core activities carried on, albeit in new ways: Teaching and assessments were transferred online; Tutors, the Education team and the Chaplain and Dean of Chapel continued to provide support remotely; outreach work continued via social media; the College Council and related committees met virtually. Other activities, particularly those which were prohibited or restricted by social distancing measures, such as external conference and catering and Tourist entry to College, were paused and remain so for the time being.

The College established a Gold group (comprising the College Council and additional senior Fellows) to set policy and make key decisions, and a Silver group (a broad cross-section of departmental Heads and senior Fellows) to ensure these were implemented rapidly and effectively, to respond to operational challenges, and to make recommendations to the Gold group. The College also actively participated in the University-wide response to the pandemic, sharing expertise and ensuring a consistent approach across the colleges and the central University.

As lockdown restrictions eased, attention turned to ensuring the College was a COVID-secure workplace and to making arrangements for the safe return of students to College at the start of Michaelmas term. Students have been accommodated in households and support structures were put in place for students quarantining on return to the UK from overseas, and for self-isolating student households; clear guidance has been issued and continues to be updated on social distancing, visitors, face coverings, and other health matters; facilities have been reconfigured to enable social distancing in high-flow areas such as the Buttery Dining Room; staff and students have access to the University's symptomatic testing facilities, and students are participating in weekly asymptomatic testing on a voluntary basis.

The College has considered various scenarios that had been proposed by the Office for Intercollegiate Services and the University's recovery taskforce to assess the impact on College activities and finances over the short, medium and longer term, and adapt plans accordingly.

In March 2020, the School had to close its doors in response to the COVID-19 pandemic and the lockdown imposed by the Government. This brought to a halt many of the initiatives and plans which were in progress. The School opened to the children of key workers in April and then to children in Kindergarten (Reception), T1 (Year 1) and Form 4 (Year 6) at the beginning of June as directed by Government guidelines. As flexibility was given by the Government about which year groups could return to school in the middle of June, the School managed to for all other year groups to return for at least one week. It also gave the use of two classrooms to Year 6 children from Park Street primary school who would not otherwise have been able to return to school due to a lack of space on their own site. During the period of lockdown the School provided an extensive remote learning programme through the Google Classroom facility. This included live online lessons with teachers through the Google Meets platform. The School continued to place pastoral care at the heart of its thinking during this time and staff regularly contacted children and their families to check on their well-being.

Activities and Performance

It is important to recognise the achievements of the first nine months of the year, prior to the COVID-19 lockdown in March 2020. A sizeable programme of outreach and recruitment activities has been undertaken including open days, subject taster days and engagement with Link Areas including school visits. St John's also participated in the CUSU Shadowing Scheme, arranged mentoring for prospective applicants and acted as a host College for the Cambridge Sutton Trust Summer Schools. A number of in-person activities were unfortunately cancelled due to the COVID-19 pandemic prompting the Admissions Office to plan the provision of virtual alternatives. There was continued contribution to the Cambridge Access Bursary Scheme with 151 means-tested bursaries being provided in the year, of which 105 were at the maximum bursary level of £3,500. We awarded 91 full St John's College Studentships of £7,100 each to students from a low-income background, which in combination with the Cambridge Bursary covered their maintenance expenses in full. We awarded 37 sliding scale Studentships to students from middle-income backgrounds. The total expenditure for Studentships (full and partial ones) was £784,730. There was approximately £96K expenditure on funding students' research projects and summer activities; 12 Pre-Admission prizes to Home students from state schools; 5 full undergraduate scholarships and 20 partial ones; and 12 top-up funding bursaries for international and EU students. We elected four new teaching Fellows, two of whom started in the Easter Term 2020 and two of whom are starting in October 2020 in Modern & Medieval Languages (also Admissions Tutor), Physiology/Reproductive Biology, Philosophy and English. Five outstanding new Research Fellows were elected in Archaeology & Biological Anthropology, Philosophy, Law, Modern & Medieval Languages and Natural Sciences, and thirteen new College Research Associates, offering a College affiliation to a significant number of talented post-doctoral researchers in the University.

The principal objectives of the School are to foster the aptitudes and nurture the growth of each child whilst instilling a love of learning through a broad curriculum. The School's focus throughout the year was to continue developing educational initiatives to help its children take responsibility for their learning and be their best selves. This included continuing work on several initiatives already started such as the school's Mindsets for Learning. The training which teachers at Byron House undertook in 'Creativity as Practice' during the previous academic year was put into practice. This has brought further creativity into the classroom in order to deepen the children's learning and an initial review of this initiative has been extremely positive. The extension of 'play-based learning' through to T2 (Year 2) was also introduced during this year. At Senior House, training was given to teachers at the beginning of the year by the Philosophy Foundation to bring about a more philosophical and questioning approach in the classroom. This was continued through a monthly visit by a member of the Foundation who worked with a group of teachers to expand their practice. The School's Emotions for Learning (E4L) Programme and the practice of Mindfulness continue to be central to its provision.

In consultation with relevant senior schools, the School looked not to offer Common Entrance as a route for Form 6 (Year 8) children. This has proved to be a successful initiative and will allow the School to develop its curriculum in the final two years and give certainty to places at future schools earlier in the academic year.

The School's partnership project continued to grow with a new relationship with St Luke's primary school in Cambridge. Teachers of Maths, Art and Drama visited the school and St John's also undertook to train teachers in our Emotions 4 Learning programme. The Headmaster became a governor of Park Street primary school in Cambridge and the aim is to work more closely with this school in the future.

The staff and children continued to raise money to fund the building of a school in Ayensuako, Ghana through the charity Humanitas. The original primary school is being extended to secondary level and a team of staff ran the Cambridge Half Marathon to raise funds for this cause. Some of the children have also continued to lead the way in bringing to the community's attention the importance of action on climate change through assemblies and initiatives.

In September 2019, the School undertook a significant review in order to help the Governors shape its strategic plan for the next 5 – 10 years. This review included surveys of current parents and staff and was overwhelmingly positive, especially in response to questions about the School's ethos and its pastoral care. The School continues to engage with parents on a regular basis and often holds presentations and meetings to discuss its approach to education. Pupil Forums in both Byron and Senior House continue to be vehicles through which the views of children can be heard and they can take a leading role in developing the school.

In spite of the disruption to the school year, 59 leaving pupils in Form 6 (Year 8) gained a total of 23 scholarships and awards to their destination schools.

Future Plans

The College's interim Strategic Plan sets out the College's ambitions to, among other things: enhance its widening participation activities; provide greater financial support for students; enhance student wellbeing; begin the first projects under the College's Estate Masterplan; and reach the £100 million target of the 'Free Thinking' fundraising campaign.

In response to the COVID-19 pandemic, the College continues to adapt in line with new developments and guidance, and seeks to seize the opportunities that are presented as we are forced to find new ways of doing things, alongside managing and mitigating the risks of the pandemic and prioritising the safety and wellbeing of all College members and staff.

The school will continue to put the well-being of each child at the centre of its objectives. It passionately believes that a school culture which puts well-being at its centre with the provision of a broad education enables children to be their best selves and that this is the foundation for academic success. Even though the global pandemic looks set to continue through 2020 and beyond, educational innovation and development will continue including the continuation of embedding creativity in the classroom, a philosophical approach in the classroom and more of an emphasis on the assessment of skills. Training for teachers in the use of the brain's 'executive functions' by the organisation 'Connections in Mind' will bring together the School's Emotions 4 Learning and Mindsets 4 Learning initiatives. The School continues to be committed to finding the best ways to extend the most able children and support those who have learning difficulties.

Through the four areas of its development plan (Pastoral Care; Teaching and Learning; Sustainability, Outreach and Partnerships; and Premises), the School continues not only to aim to give the very best education to its children but to be outward looking and socially responsible in a fast changing world and in extraordinary times.

FINANCIAL REVIEW

Scope of the Financial Statements

The consolidated financial statements include the College itself, St John's College School and the College's wholly-owned trading subsidiaries which are:

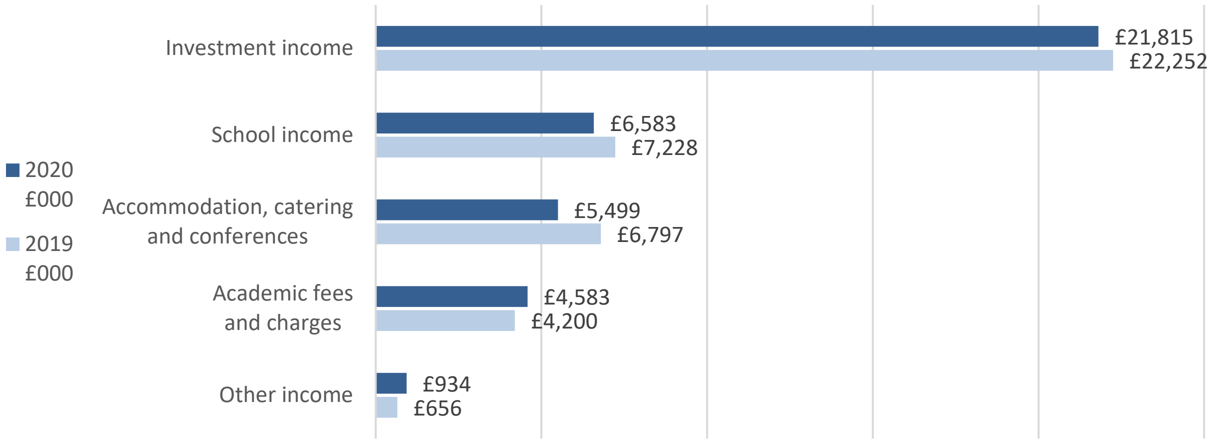
- St John's Enterprises Limited, which undertakes principally conference and tourism activities;
- Aquila Investments Limited, which undertakes principally property development and farming;
- St John's Innovation Centre Limited, which manages St John's Innovation Centre on behalf of the College, and provides advice and guidance to early-stage knowledge-based businesses in the Cambridge sub-region;
- Lomas Developments Limited, which undertakes principally property development; and
- SJCS International Limited, which licences intellectual property in relation to St John's College School.

The accounts of dormant companies are also consolidated.

The financial statements are produced by the College having regard to the Recommended Cambridge College Account (RCCA) format introduced through revisions to Statute G,III of the University which replaced the previous format introduced in 1926 by the University of Cambridge Commissioners.

Results overview

Income before donations and endowments



Overall, income before donations and endowments reduced from £41.1m in 2019 to £39.4m in 2020. The most significant factor in the reduction was the impact of the COVID-19 lockdown on accommodation and catering income, as the majority of students returned home at the end of the Lent term, and no external catering or conferences were provided during the last quarter. School income also reduced as a fee reduction was offered to parents for the Summer term.

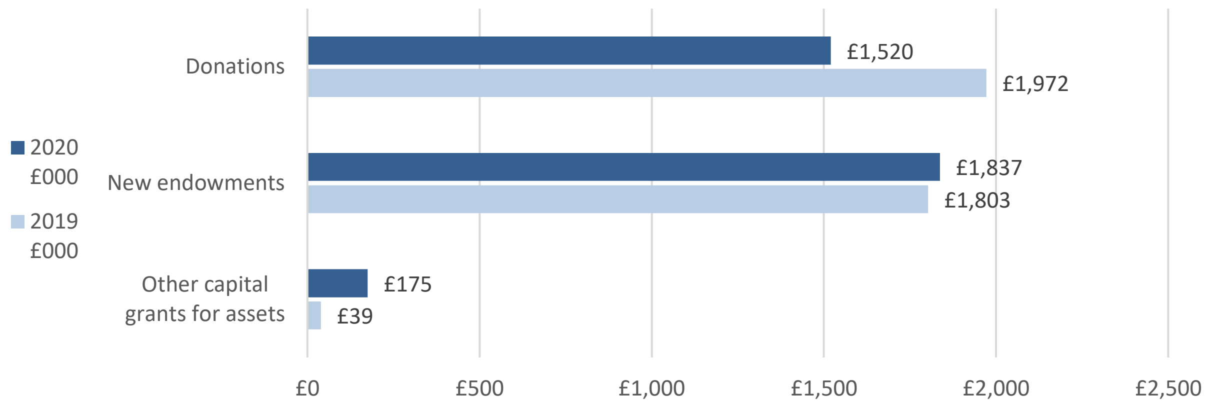
Income before donations and endowments in 2020 included £0.6m claimed from the government's Coronavirus Jobs Retention Scheme by the College and subsidiaries.

Income before donations and endowments represented 91.8% of income in 2020, a small increase from 91.5% in 2019.

Development and Fundraising

College fundraising is focused on the support of a number of activities across the College: teaching and research; student support, including bursaries and scholarships and outreach and access; the maintenance and development of the fabric of the estate; extracurricular activities including sport, music and the arts; general purposes, and an annual fund.

Income from donations and new endowments represented 8.2% of total income (8.5% in the previous year).

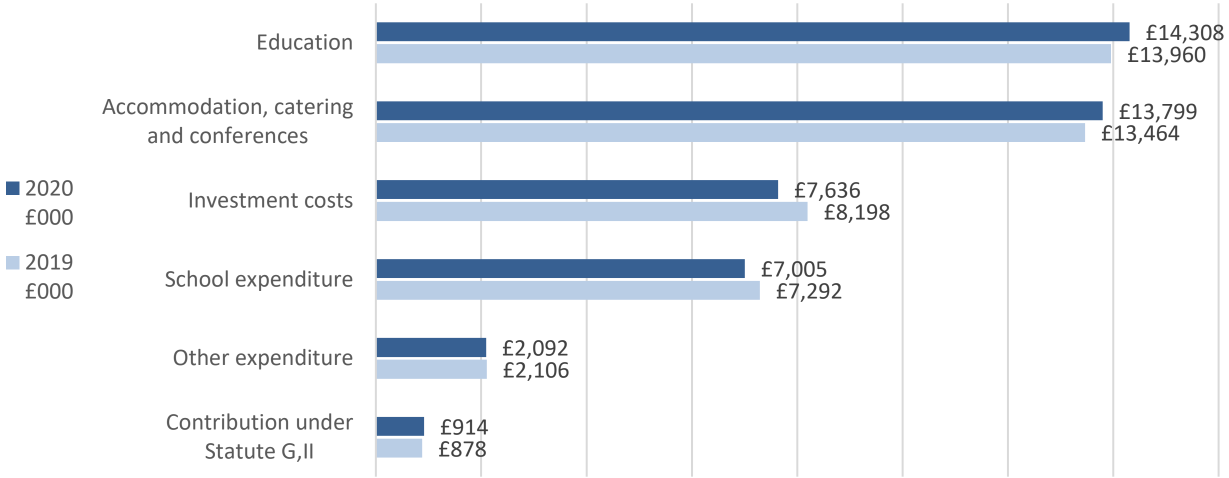


Total donations reduced from £3.8m in 2019 to £3.5m in 2020, a reduction of 7.4%. There were increases in new endowments and capital grants for assets, but a significant drop of £0.45m in donations for current use. Donations were very high in 2017 and 2018, in response to the launch of the Free Thinking campaign, and the initial funding for the related initiatives was sufficient to establish funds to cover expenditure over the 5-year trial period. The focus has now moved on to raising Endowment funds to be able to continue to provide financial support to the students in greatest need on a permanent basis.

St John's College is committed to best practice in relation to all fundraising activities, which are carried out by an in-house Development team who are subject to the scrutiny of the Development Committee and College Council. The College did not engage any third parties to carry out fundraising activities on its behalf during the year. The College is registered with the Fundraising Regulator and has set up internal protocols and procedures to adhere to the Code of Fundraising Practice as a set of guiding principles to ensure fundraising is legal, open, honest and respectful. This national code of practice includes rules governing consent, data sharing, data protection and privacy relating to all electronic and print communications. Within this framework the College is fully compliant with GDPR and PECR regulations. Face to face meetings with donors and potential donors are conducted only with the prior consent of the individual. The College received no formal complaints in the financial year 1 July 2019 to 30 June 2020. A series of guidelines, in line with the recommendations as set out in the Fundraising Regulator's Code of Fundraising Practice, has been adopted to protect vulnerable people and to guard against intrusion on a person's privacy. Unreasonably persistent behaviour by fundraisers or undue pressure on a person to give money or other property is neither tolerated nor encouraged by operating guidelines.

Expenditure

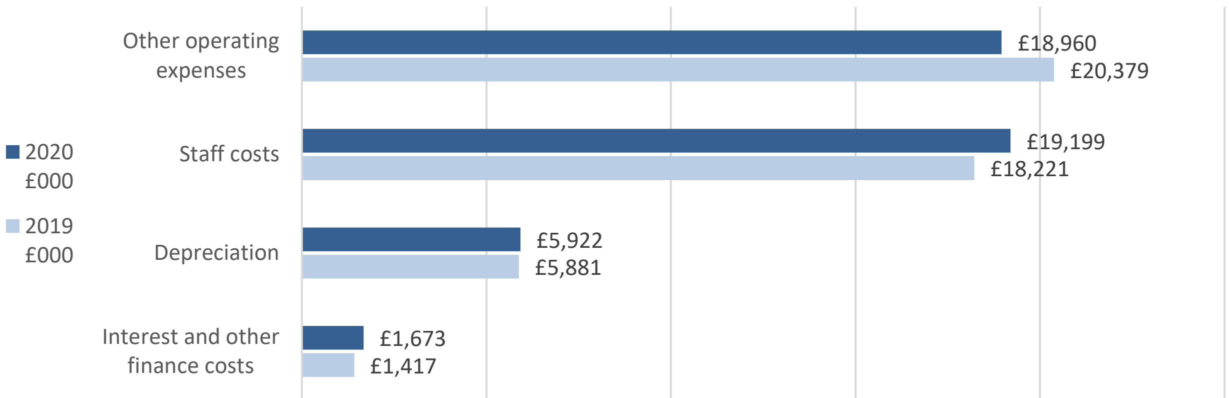
The main areas of expenditure for the College and a description of key changes are set out below:



Within education costs, student financial support increased by £0.4m; this increase mostly related to means-tested and needs-based awards. The increase in accommodation, catering and conferences costs is the result of a £0.5m increase in staff costs, including salary increases in line with the real living wage for those staff at the lower end of the College's pay structure, and a reduction in food and provisions costs due to significantly reduced activity during the Covid-19 lockdown period. School expenditure on curriculum materials, trips and catering costs reduced as a result of pupils learning from home during the second half of the year. Investment costs fell by £0.5m; 2019 included a one-off payment of £0.5m relating to final valuations of investments sold in 2011.

The Contribution under Statute G,II is an intercollegiate taxation charge which is contributed to the Colleges Fund, which makes grants to colleges with inadequate endowments.

The expenditure for each of the activities described above is made up of staff costs, other operating expenses, depreciation, and interest and other finance costs, as follows:



The reduction in other operating expenses includes the factors affected by the COVID-19 lockdown mentioned above, as well as the £0.5m drop in investment costs. The increase in staff costs related to Fellows and other academic staff (£0.2m), College non-academic staff (£0.6m), and the College School (£0.2m). Within staff costs, pension costs increased by £0.2m for the School, following an increase in the employer contribution rate for the Teachers' Pension Scheme from September 2019, and by £0.3m for College non-academic staff due to an increase in the current service accrual adjustment in the CCFPS pension scheme compared to 2019.

Results on the distribution basis

The College manages all its long-term investments on a total return basis and determines, through a spending rule, a prudent distribution each year. However, whilst accounting standards permit permanent endowment funds to be accounted for on a total return basis, they do not allow expendable funds to be accounted for on that basis. Since the College invests its funds classified as expendable endowments and reserves, as well as its permanent endowment funds, on a total return basis, the Consolidated Statement of Comprehensive Income and Expenditure of the College does not therefore reflect all of the distribution determined under the College's spending rule, from expendable endowments and general reserves.

The College has therefore adopted the approach of providing additional information following the Consolidated Statement of Comprehensive Income and Expenditure to show what the income and deficit of the Group would have been had income in the Consolidated Statement of Comprehensive Income & Expenditure instead been based on this "distribution basis" i.e. reflecting the full distribution from expendable endowments and general reserves. The summary results set out below are on the distribution basis, as the College considers that this more appropriately reflects its financial performance.

The College's Consolidated Statement of Comprehensive Income and Expenditure on the distribution basis for the years ended 30 June 2020 and 2019 are summarised below:

	2020 £'000	2019 £'000	Change £'000	% change
Income before donations and endowments on a distribution basis	41,431	42,950	(1,519)	(3.5%)
Donations and endowments	3,532	3,814	(282)	(7.4%)
Total income on a distribution basis	44,963	46,764	(1,801)	(3.9%)
Expenditure before depreciation	39,832	40,017	(185)	(0.5%)
Operating surplus before depreciation	5,131	6,747	(1,616)	(24.0%)
Depreciation	5,922	5,881	41	0.7%
(Deficit)/surplus before other gains and losses	(791)	866	(1,657)	(191.3%)
Deficit before other gains and losses excluding new endowments and capital grants	*(2,803)*	*(976)*	*(1,827)*	*187.2%*

A reconciliation of total income on the distribution basis to total income recorded in the Consolidated Statement of Comprehensive Income and Expenditure is included at note 3g.

Capital Expenditure

The Group incurred capital expenditure on tangible fixed assets during the year amounting to £2.8m, compared to a prior year figure of £2.7m. The New Court refurbishment project continued, and the College upgraded essential plant and machinery, and made further investment in IT systems and infrastructure. Plans have been progressed for a major refurbishment of the catering facilities for College members which is expected to take place during 2021 and 2022.

Balance sheet

Consolidated net assets stood at £827.4m at 30 June 2020, down £7.3m (0.9%) on the prior year. The reduction was caused by the £2.8m deficit for the year, a £3.5m actuarial adjustment to pension deficit liabilities (the net of a £4.3m increase in the CCFPS deficit and a reduction of £0.8m in the USS deficit, recalculated using the results of the 2018 valuation) and the £0.9m drawdown from endowment total return in excess of investment gains in the year.

Reserves

At 30 June 2020, the unrestricted income and expenditure reserve stood at £239.0m, down £5.9m (2.4%) on the prior year. There were no movements in the year other than the deficit for the year, and actuarial loss on the College's defined benefit pension schemes shown within Other Comprehensive Income. The revaluation reserve remained at £8.7m as no operational properties were revalued during the year.

Restricted reserves reduced by £1.3m (0.2%) compared to the prior year; within restricted reserves the balance of funds held for current use remained flat at £3.7m, and expendable restricted endowments reduced from £34.9m to £34.7m. The endowment reserve reduced by £1.1m (0.2%) to £541.3m, of which £98.9m (2019: £97.3m) is held in permanent endowment funds with restricted purposes, and £442.4m (2019: £445.2m) in permanent unrestricted endowment funds.

Total funds as at 30 June 2020 were £827.4m, down £7.3m (0.9%) from the prior year.

Endowment and Investment Performance

The College has a pool of capital invested for the long-term to support the charitable activities of the College by providing a reliable source of funding for the College's operations in perpetuity. This is known as the College's 'Endowment' though it includes assets other than the investments as set out in note 9, and does not include those investments held principally for operational purposes.

The investment objective of the Endowment is to produce the highest total return consistent with the preservation of long-term capital value in real terms (such that the College itself can fulfil its charitable objectives in perpetuity and be even handed between the interests of present and future beneficiaries), an acceptable degree of risk and the maintenance of appropriate liquidity.

The total value of the Endowment was £618.2m at 30 June 2020, down £1.4m (0.2%) from its value at 30 June 2019. The College's investment property portfolio was particularly impacted by COVID-19 and suffered a revaluation loss of £3.4m during the year.

The assets and liabilities of the Endowment fall under a number of headings in the accounts, with the following breakdown:

	2020 £'000	2019 £'000	Change £'000	% change
Investments	563,733	568,989	(5,256)	(0.9%)
Tangible fixed assets	60	76	(16)	(21.1%)
Stock	133	119	14	11.8%
Trade and other receivables	13,603	4,222	9,381	222.2%
Cash and cash equivalents	59,968	69,055	(9,087)	(13.2%)
Sub-total assets	**637,497**	**642,461**	**(4,964)**	(0.8%)
Creditors falling due within one year	(7,283)	(10,893)	3,610	(33.1%)
Creditors falling due after more than one year	(12,000)	(12,000)	-	-
Total	**618,214**	**619,568**	**(1,354)**	(0.2%)

The College is exposed to foreign exchange risk on the investments it holds in foreign currencies. The College's policy is not normally to enter into forward foreign exchange contracts to offset exposure to foreign exchange movements in respect of these investments, and none was outstanding at June 2020 or June 2019.

The College operates a policy concerning Environmental, Social and Governance factors relating to Endowment Investments. Under the terms of that policy and having regard to the requirements of charity law to maximise returns, the College seeks to ensure that investments are not made in companies whose practices are in conflict with the charitable purposes of the College or are likely to alienate the members or benefactors of the College. The College also monitors and engages with investment managers on their ESG policies and practices.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks the College must address are the long-term ability to maintain and develop its educational and research activities, to attract the best staff and students, and to maintain and renew its physical facilities.

The key financial uncertainties and risks, and the measures taken to manage them, are:

- The immediate and longer-term financial implications of the COVID-19 pandemic: The College has prepared scenario forecasts around the possible impacts of COVID-19, including on operating income (tuition fees, student rents and catering & conference activities), investment income, and investment valuations, and is reviewing these on an ongoing basis to adapt to the constantly changing circumstances and government restrictions and advice;
- The long-term impact of the changed student financing and fee model on College fee income: The College monitors the real value of fees for each type of student, and the diversification of the student body between different types of students reduces the possible impact of a significant adverse change in one area of fees or funding;
- The costs of future student financial support: The College has developed a long-term funding strategy for student financial support, and is actively fundraising to support this, including through the establishment of permanent endowment funds to guarantee the availability of funding in the future;
- Movements in investment markets reducing the real value of the Endowment: The College's Investments Committee, with advice from an Investment Consultant, regularly reviews actual and projected returns and monitors the asset allocation within the Endowment to ensure adequate diversification of investments. The target spending rate is set at a prudent level to preserve the purchasing power of the Endowment in real terms, and the spending rule is designed to protect the College from a sudden fall in income should there be a material fall in the markets by the application of a cap and floor on the annual distribution;
- Unexpected building maintenance expenditure: The condition of the estate is monitored through condition surveys, the incidence of complaints or accidents, and the level of interest in booking facilities, and a maintenance and refurbishment programme is in place with the appropriate resources to maintain the College's estate;
- Those arising from the departure of the UK from the European Union and the end of the transition period: The breadth and extent of the impact of Brexit after the end of the transition period on 31 December 2020 remain unclear, but the College is considering possible implications as part of its overall planning, including in the areas of procurement, human resources, student recruitment and funding, investment management, and financial planning; and
- The long-term cost of defined benefit pension provision: The College participates in several defined benefit pension schemes, and estimates future cost of contributions through review of the scheme actuarial valuations and Pension Trustee communications. The College has taken steps to reduce exposure to rising employer contributions in the largest scheme, through closing the scheme to new entrants and adjusting contributions to ensure a more equitable split between employer and employee contributions, and is making deficit reduction payments into each of the schemes.

The College monitors and manages risks more widely through the internal control processes outlined in the Statement of Internal Control below.

RESPONSIBILITIES OF THE COLLEGE COUNCIL

In accordance with the College's Statutes, the Council is responsible for the administration of the Group's and College's affairs.

The Council is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including

FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.
The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the College and of the surplus or deficit of the Group for that period. In preparing these financial statements the Council is required to:

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

At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long-term impact on the College is unknown. The impact on the College and current actions taken by trustees and management in response to this crisis are explained on page 5. The trustees have reviewed the position carefully with a view to ensuring that activities continue and staff, students and other stakeholders remain safe. Scenario analysis has considered sensitivities around financial projections for the period to June 2022, for both operational income and expenditure, and Endowment investments and income. The Trustees have concluded that the Endowment distribution under the spending rule (explained on page 22), together with £10m undrawn headroom on the revolving credit facility which is in place to May 2023, provide sufficient assurance that the College will be able to continue to meet its commitments. Accordingly, the trustees believe the College's financial resources are sufficient to ensure there are no material uncertainties around its ability to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

The Council is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the Group and the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

STATEMENT OF INTERNAL CONTROL

The Council is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Council is responsible, in accordance with the College's Statutes. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2020 and up to the date of approval of the financial statements.

The Council is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

The Council has nineteen regular meetings each year and gives consideration to the major risks to which the College and its subsidiary undertakings are exposed and satisfies itself that systems or procedures are established in order to manage those risks.

Key controls used by the College include:

- Formal agendas for all Committee and Council activity;
- Clear terms of reference for all committees;
- Strategic planning, budgeting, management accounting and cash flow forecasting;
- Established organisational structure and lines of reporting;
- Formal written policies in key areas such as health and safety and child protection; and
- Authorisation and approval levels.

The College is seeking to enhance these controls through a formal risk-management process involving the further development of a risk register. The relevant individuals in the College will be charged with responsibility for evaluating the risks coming within their areas of responsibility and advising on the nature of the risk, the probability of occurrence and severity of impact, as well as steps taken to mitigate the risk. Through the risk register, the College will seek to identify and manage risks. However, the nature of the College's activities is such that the College is faced with a large number of risks, not all of which can be mitigated.

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

OUTLOOK

Whilst the College is fortunate in being a relatively well-endowed college, its commitments and role in the University are commensurately significant and the College has experienced, and will continue to face, a number of significant financial challenges many of which are common to the University and other Cambridge colleges. The COVID-19 pandemic has presented an immediate and dominating challenge, but the College continues to work on our core priorities. Chief among these are the need to increase student support, to cope with increased cost of pension provision, to manage the cost of maintaining and refurbishing the College buildings, to steward the Endowment through difficult financial markets, and to navigate the departure of the UK from the European Union.

The College seeks to respond to these financial challenges by focusing on efficient financial management and endeavouring to manage its resources to best effect. However, if it is to be able to sustain and develop the activities that are critical to its mission and achieve its full potential, it is clear that the College will need to continue to raise additional funds over the coming years.

On behalf of the College Council

Heather Hancock
Master

Chris Ewbank
Senior Bursar

12 November 2020

INDEPENDENT AUDITORS' REPORT TO THE GOVERNING BODY OF ST JOHN'S COLLEGE

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 30 June 2020 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; 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 13, 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 the parent charity'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 charity 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 the Act and relevant regulations made or having effect thereunder.

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.

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

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

55 Ludgate Hill
London
EC4M 7JW
Date: 19th November 2020

Statement of Principal Accounting Policies

BASIS OF PREPARATION

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

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

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

The College's activities and financial position, together with the factors likely to affect its future development, performance and position, are set out in the Trustees' Report which forms part of this Annual Report. At the time of approval of the Annual Report, the COVID-19 pandemic continues to evolve and the long-term impact on the College is unknown. The impact on the College and current actions taken by trustees and management in response to this crisis are explained on page 5. The trustees have reviewed the position carefully with a view to ensuring that activities continue and staff, students and other stakeholders remain safe. Scenario analysis has considered sensitivities around financial projections for the period to June 2022, for both operational income and expenditure, and Endowment investments and income. The Trustees have concluded that the Endowment distribution under the spending rule (explained on page 22), together with £10m undrawn headroom on the revolving credit facility which is in place to May 2023, provide sufficient assurance that the College will be able to continue to meet its commitments. Accordingly, the trustees' believe the College's financial resources are sufficient to ensure there are no material uncertainties around its ability to continue as a going concern for the foreseeable future, being at least 12 months from the date of approval of the financial statements and have therefore prepared the financial statements on the going concern basis.

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 included are set out in note 28. Intra-group balances are eliminated on consolidation. The consolidated Financial Statements do not include the activities of student societies as these are separate bodies in which the College has no financial interest and because these are viewed as autonomous activities.

Associated companies and joint ventures are accounted for using the equity method.

JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. 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.

Pension Benefits

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. The College has reviewed all the pension schemes in which it participates, and is satisfied that only the schemes provided by Universities Superannuation Scheme and Church of England meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plans in existence at the date of approving the accounts.

Classification of property

The College determines whether a property is classified as investment property.

Investment property comprises land and buildings that are not occupied substantially for use by or in the operations of the College, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The College based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the College. Such changes are reflected in the assumptions when they occur.

Revaluation of Investment Properties

The College carries its investment property at fair value, with changes in fair value being recognised in profit or loss. The College engaged independent valuation specialists to determine fair value at 30 June 2020. The valuers determined the open market value using the desktop valuation method. The determined fair value of the investment property is most sensitive to the estimated yield as well as the long term vacancy rate. The external valuations carried out as at 30 June 2020 were completed on the basis of “material valuation uncertainty” due to the impact of COVID-19 on market activity, and the unprecedented circumstances meaning valuers could attach less weight to previous market evidence for comparison purposes to fully inform opinions of value. The Trustees have considered the valuations provided and believe that they provide a reasonable estimate of the value of properties held at 30 June 2020, and nothing has come to light since 30 June 2020 to indicate that the valuations are materially inaccurate.

Valuation of non-quoted investments

The College carries its non-quoted investments at fair value based on the most recent valuations provided by independent fund managers, with changes in fair value being recognised in profit or loss. Due to volatility in the investment markets as a result of COVID-19, there is a greater degree of uncertainty than usual in the valuations at 30 June 2020. The Trustees have considered the valuations provided and believe that they provide a reasonable estimate of the value of investments held at 30 June 2020, and nothing has come to light since 30 June 2020 to indicate that the valuations are materially inaccurate.

Pension liabilities

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 note 26.

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 26.

RECOGNITION OF INCOME

Academic Fees

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

Cambridge Bursary Scheme

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

The net payment of £230k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Other Academic Income	£232k
Expenditure	£462k

Rental Income

Rental income is recognised on an accruals basis according to the terms of the lease.

Donations and Benefactions

Charitable donations are recognised on receipt or when the College is entitled to the income and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. In the absence of specific instructions from the donor the Council considers the donor's correspondence and association with the College together with the size of the sum involved when determining the accounting treatment. Donations are recognised as income in the Consolidated Statement of Comprehensive Income and Expenditure. Donations which are to be retained for the future benefit of the College, and other donations with substantially restricted purposes, are retained within endowments or restricted reserves until such time that they are utilised in line with such restrictions.

Legacies are recognised when the College is entitled to the funds, when receipt is probable and when amounts can be measured reliably which is the earlier of probate being granted or final estate accounts being received when it becomes probable that a distribution will be made to the College. Where entitlement is demonstrated, the College only recognises income to the extent that future distributions can be measured reliably. For residual legacies this means that the value of future distributions is estimated based on available evidence in the year. These estimates are regularly reviewed and updated as required.

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

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

- Restricted donations – the donor has specified that the donation must be used for a particular objective, and it is not to be invested for the longer term;
- Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income;

- 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; and
- 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.

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

Endowment and Investment Income

All investment income and change in value of investment assets is recorded in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which it arises and as either restricted or unrestricted income according to the terms of the individual endowment fund.

For endowment income from permanent endowments, the College applies either a total return or a standard method of accounting for fund investment returns, depending on the nature of the fund, as set out below:

For permanent funds where the level of distributable reserves has not yet reached at least 20% of original capital, the standard method accounting policy is applied and the investment income shown in the Consolidated Statement of Comprehensive Income and Expenditure is the actual income earned in the year. Any excess of income over qualifying expenditure is retained within the endowment reserve until such time that they are utilised in line with any applicable restrictions, at which point the income is released through the transfer of endowment return shown within income in the Consolidated Statement of Comprehensive Income and Expenditure.

For permanent funds where the level of distributable reserves has reached at least 20% of original capital, a total return accounting policy is applied. A proportion of the related earnings and capital appreciation is shown as a transfer within the Consolidated Statement of Comprehensive Income and Expenditure in accordance with the total return concept, with any excess remaining in the endowment fund. For permanent endowment funds with restricted purposes, the sum transferred in the Statement of Comprehensive Income and Expenditure is limited to the qualifying expenditure incurred in the year. The surplus or deficiency of total return, after deducting the annual Endowment transfer, is carried forward as unapplied total return.

Under the total return method, the Endowment transfer is determined by a spending rule which is designed to provide stable annual spending levels and to preserve the real value of the endowment portfolio over time. The spending rule adopted by the College is a 'Constant Growth with Cap and Floor' rule under which the transfer from the Endowment for a particular year is the previous year's transfer increased by RPI-0.5% (2019: RPI-0.5%), subject to a minimum payout of 2.5% (2019: 2.6%) and a maximum payout of 3.5% (2019: 3.6%) of a trailing 3 year average Endowment value. The target spending rate is 3.0%, which reflects long-run expected real returns given the College's asset allocation and long-run expected College inflation. However, the actual spending rate in any year will depend on the results of the spending rule and will therefore vary from the 3.0% target rate. The spending rule provides for the transfer to be adjusted to reflect additions to the Endowment through donations. The College first adopted the Total Return approach to accounting for permanent funds in the year ended 30 June 2008. The breakdown of endowment funds between original capital and unapplied total return is shown in note 16.

Accommodation, catering and conferences income

Income received in relation to the supply of accommodation and catering and conferences income is recognised in the period in which the related goods or services are delivered.

Other Income

Income is received from a range of activities including choir engagements and alumni events and other services rendered. Income is recognised in the period in which the related goods or services are delivered.

Grant income

Grant income is 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.

INVESTMENT COSTS

Investment costs, associated predominantly with the management of the College's property and securities portfolios and its investment subsidiaries, are included in the Consolidated Statement of Comprehensive Income and Expenditure in the year to which they relate.

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 related forward foreign-exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of comprehensive income and expenditure for the financial year.

TANGIBLE FIXED ASSETS

Land and Buildings

Land and buildings are stated at valuation on the basis of depreciated replacement cost. The valuation as at 30 June 2004 was carried out by Carter Jonas LLP, Chartered Surveyors. This valuation will not be updated and will be carried forward as the gross value to be depreciated over its expected useful economic life. It is not possible to quantify the difference between depreciation based on historic cost and depreciation based on this valuation because records of the historic cost of land and buildings were not required to be kept under the accounting regime applicable to Colleges within the University of Cambridge prior to 2004.

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

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuations, are capitalised to the extent that they increase the expected future benefits to the College, and depreciated over the period of such expected future benefits.

Freehold land is not shown separately. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives of 50 years. Freehold land is not depreciated as it is considered to have an indefinite useful life.

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

Land held specifically for development, investment and subsequent sale is included in investment assets at fair value.

Finance costs which are directly attributable to the construction of buildings are not 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.

The cost of additions to operational property shown in the balance sheet includes the cost of land, where applicable.

Maintenance of Premises

The College has a five-year rolling maintenance plan which is reviewed on an annual basis. The cost of routine maintenance is charged to expense within the Consolidated Statement of Comprehensive Income and Expenditure as it is incurred. The cost of major refurbishment and maintenance which restores value is capitalised when the project valuation is above the capitalisation threshold of £20,000. Expenditure capitalised is depreciated on a straight-line basis over the expected useful economic life.

Equipment

Furniture, fittings and equipment costing less than £20,000 per individual item or group of related items are written off in the year of acquisition. All other assets are capitalised at cost and depreciated on a straight-line basis over their expected useful life as follows:

Furniture and equipment:	Plant and machinery	(long life)	10-20 years
	Plant and machinery	(short life)	5 years
	Motor vehicles		5 years
	Furniture and soft furnishings		5 years
Computer equipment:	Computer network and equipment		5 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Leased Assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased assets are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Heritage Assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1 July 2007 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and the volume of items and valuation issues (e.g. age, origin, veracity) mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 July 2007 and valued at over £20k are capitalised and recognised in the Balance Sheet at cost or, in the case of donated assets, at valuation on receipt where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

INVESTMENTS

Investments are included in the Consolidated Balance Sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's Balance Sheet at cost and eliminated on consolidation. Investments for which no fair value is readily obtainable are carried at historical cost less any provision for impairment in their value.

Realised and unrealised capital gains and losses are recognised as increases or decreases of fair value of investment assets as appropriate within the Consolidated Statement of Income and Expenditure.

INVESTMENT PROPERTY

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

The investment property portfolio is measured initially at cost and subsequently at fair value with movements recognised in the Surplus or Deficit. Investment properties are not depreciated but are revalued or reviewed annually at open market value (using the desktop valuation method) by the College's principal property advisers, Savills (L&P) Limited, with the exception of certain residential long leasehold properties which are valued by Carter Jonas LLP.

Due to the length of ownership of many of the investment properties, realised capital gains cannot be recognised with reference to historic cost.

STOCKS

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

PROVISIONS

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

FINANCIAL INSTRUMENTS

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

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

Financial assets

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

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

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.
Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of ownership are transferred to another party.

Financial Liabilities

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

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

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

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

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

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

TAXATION

The College is a registered charity (number 1137428). It is therefore 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 categories covered by section 478-488 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 exclusively to charitable purposes.

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

The College's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation. Due to the structure of the group, all taxable profits made by its subsidiaries are donated to the College on an annual basis under the terms of members' resolutions.

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. The Contribution is used to fund grants to Colleges from the Colleges Fund. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

PENSION COSTS

The College and its subsidiary undertakings participate in a number of pension schemes of both defined-benefit and defined-contribution types.

Cambridge Colleges Federated Pension Scheme

The College contributes to the Cambridge Colleges Federated Pension Scheme ("CCFPS"), which is a defined-benefit pension scheme. Unlike the other defined-benefit schemes (as noted below), the scheme is a federated scheme, and the College is able to identify its share of the underlying assets and liabilities.

Amounts charged to operating expenditure are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past-service costs are recognised immediately in the Consolidated Statement of Comprehensive Income and Expenditure if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits to interest. Remeasurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts in net interest on the net defined benefit liability) are recognised immediately within Other Comprehensive Income in the Consolidated Statement of Comprehensive Income and Expenditure.

The scheme is funded, with the assets of the scheme held separately from those of the College, in separate trustee administered unitised funds. The scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined-benefit liability forms part of the net pension liability presented after other net assets on the face of the Balance Sheet.

Universities Superannuation Scheme

The College participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other 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 wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

Church of England Funded Pension Scheme

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the Consolidated Statement of

Comprehensive Income and Expenditure in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions. The College recognises a liability for the present value of agreed deficit contributions payable.

Teachers' Pension Scheme

The College participates in the Teachers' Pension Scheme ("TPS") which is a statutory, contributory, final-salary scheme. The TPS is an unfunded scheme; therefore, the scheme is accounted for as if it were a defined-contribution pension scheme. Contributions are charged to the Consolidated Statement of Comprehensive Income and Expenditure as they are incurred. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Balance Sheet.

Defined-Contribution Pension Schemes

The College and its subsidiaries also contribute to a number of defined-contribution pension schemes. For defined-contribution schemes the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Consolidated Balance Sheet.

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.

FUNDS AND RESERVES

The RCCA format requires the College to distinguish between Endowments, Restricted Reserves and Unrestricted Reserves.

Endowments

Where the College receives donations that are to be held in perpetuity, these are credited to endowment funds. Endowment funds are subdivided into:

> Restricted endowments: where the College can spend the income from the fund on expenditure that meets the fund's objectives.
>
> Unrestricted endowments: where the College can spend the income from the fund on any activity of the College.

Restricted Reserves

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.

Unrestricted Reserves

Funds that are neither Endowments nor Restricted Reserves are classed as unrestricted reserves. The College's unrestricted reserves are identified under the following two headings:

> Revaluation Reserve, relating to the unrealised gains on the revaluation of tangible fixed assets; and
>
> Unrestricted Income and Expenditure Reserve, relating to all other reserves not included above.

Corporate Capital

The College's unrestricted funds include the College's Corporate Capital, which has certain features of a permanent unrestricted endowment (in that the majority is invested in perpetuity to provide an income to support the College's charitable activities) and certain features of a permanent reserve (in that it is established practice that Cambridge Colleges can borrow against their Corporate Capital to invest in operational property). Corporate Capital is predominantly invested in the College's Endowment, but a portion is invested in operational assets. The exact split between these two components varies over time. The portion of the College's Corporate Capital that is invested in the Endowment is included in permanent unrestricted endowments, while the portion that is invested in operational assets is included in the unrestricted income and expenditure reserve, and any movement during the year is represented by a reserves transfer.

ST JOHN'S COLLEGE SCHOOL

The School is viewed as a separate activity of the College. Control of its reserves has been delegated to its Board of Governors. Its reserves, including those representing its tangible fixed assets, are included in general reserves (except for its prize and trust funds which, being restricted rather than designated funds, are treated on an individual basis).

Consolidated Statement of Comprehensive Income and Expenditure

Year ended 30 June	Note	Unrestricted £000	Restricted £000	Endowment £000	2020 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2019 Total £000
Income									
Academic fees and charges	1	4,583	-	-	4,583	4,200	-	-	4,200
Accommodation, catering and conferences	2	5,499	-	-	5,499	6,797	-	-	6,797
School income		6,583	-	-	6,583	7,228	-	-	7,228
Investment income	3d	106	69	21,640	21,815	218	160	21,874	22,252
Endowment return transferred		12,295	1,935	(14,230)	-	11,928	1,978	(13,906)	-
Other income		934	-	-	934	656	-	-	656
Total income before donations and endowments		30,000	2,004	7,410	39,414	31,027	2,138	7,968	41,133
Donations		293	1,227	-	1,520	294	1,678	-	1,972
New endowments		89	78	1,670	1,837	-	50	1,753	1,803
Other capital grants for assets		-	175	-	175	-	39	-	39
Total income from donations and new endowments		382	1,480	1,670	3,532	294	1,767	1,753	3,814
Total income		**30,382**	**3,484**	**9,080**	**42,946**	**31,321**	**3,905**	**9,721**	**44,947**
Expenditure									
Education	4	10,508	3,800	-	14,308	10,348	3,612	-	13,960
Accommodation, catering and conferences	5	13,716	83	-	13,799	13,382	82	-	13,464
School expenditure		6,859	146	-	7,005	7,055	237	-	7,292
Other expenditure		1,958	134	-	2,092	1,919	187	-	2,106
Investment costs	3c	107	89	7,440	7,636	124	104	7,970	8,198
Contribution under Statute G,II		722	192	-	914	687	191	-	878
Total expenditure	6a/b	**33,870**	**4,444**	**7,440**	**45,754**	**33,515**	**4,413**	**7,970**	**45,898**
(Deficit)/surplus before other gains and losses		**(3,488)**	**(960)**	**1,640**	**(2,808)**	**(2,194)**	**(508)**	**1,751**	**(951)**
(Deficit)/surplus before other gains and losses excluding new endowments & capital grants		*(3,577)*	*(1,213)*	*(30)*	*(4,820)*	*(2,194)*	*(597)*	*(2)*	*(2,793)*
Gain/(loss) on investments	3e	1,040	819	(2,782)	(923)	3,199	2,655	14,225	20,079
(Deficit)/surplus for the year		**(2,448)**	**(141)**	**(1,142)**	**(3,731)**	**1,005**	**2,147**	**15,976**	**19,128**
Other comprehensive income									
Unrealised surplus on revaluation of fixed assets		-	-	-	-	2,437	-	-	2,437
Actuarial loss in respect of pension schemes	15	(3,536)	-	-	(3,536)	(4,918)	-	-	(4,918)
Total comprehensive income for the year		**(5,984)**	**(141)**	**(1,142)**	**(7,267)**	**(1,476)**	**2,147**	**15,976**	**16,647**

Summary Consolidated Statement of Comprehensive Income and Expenditure

Year ended 30 June	Note	2020 Total £000	2019 Total £000
Income			
Academic fees and charges	1	4,583	4,200
Residences, catering and conferences	2	5,499	6,797
School Income		6,583	7,228
Investment income	3d	21,815	22,252
Other income		934	656
Total income before donations and endowments		39,414	41,133
Donations		1,520	1,972
New endowments		1,837	1,803
Other capital grants for assets		175	39
Total income from donations and new endowments		3,532	3,814
Total income		**42,946**	**44,947**
Expenditure			
Education	4	14,308	13,960
Residences, catering and conferences	5	13,799	13,464
School expenditure		7,005	7,292
Other expenditure		2,092	2,106
Investment costs	3c	7,636	8,198
Contribution under Statute G,II		914	878
Total expenditure	6a/b	**45,754**	**45,898**
Deficit before other gains and losses		(2,808)	(951)
Deficit before other gains and losses excluding new endowments & capital grants		*(4,820)*	*(2,793)*
(Loss)/gain on investments	3e	(923)	20,079
(Deficit)/surplus for the year		**(3,731)**	**19,128**
Other comprehensive income			
Unrealised surplus on revaluation of fixed assets		-	2,437
Actuarial loss in in respect of pension schemes	15	(3,536)	(4,918)
Total comprehensive income for the year		**(7,267)**	**16,647**

Additional information:

Total income and (deficit)/surplus before other gains and losses excluding new endowments & capital grants as stated above do not include the element of endowment fund distributions funded out of long-term capital growth for funds that are classified as expendable endowments or general reserves. The corresponding figures including this element are:

		2020 £000	2019 £000
Total income on a distribution basis (as defined on Page 11 of the Trustees' Report)	3g	44,963	46,764
Deficit before other gains and losses excluding new endowments & capital grants on a distribution basis		(2,803)	(976)

Statement of Changes in Reserves

Consolidated

	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2019	244,935	38,592	542,446	8,724	834,697
Change in classification of funds					-
Surplus for the year	(2,448)	(141)	(1,142)		(3,731)
Other comprehensive income	(3,536)			-	(3,536)
Transfers between reserves	10	(10)	-	-	-
Balance at 30 June 2020	**238,961**	**38,441**	**541,304**	**8,724**	**827,430**

	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2018	248,809	36,277	526,677	6,287	818,050
Change in classification of funds	-	207	(207)	-	-
Surplus for the year	1,005	2,147	15,976	-	19,128
Other comprehensive income	(4,918)	-	-	2,437	(2,481)
Transfers between reserves	39	(39)	-	-	-
Balance at 30 June 2019	**244,935**	**38,592**	**542,446**	**8,724**	**834,697**

College

	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2019	244,873	38,592	542,655	8,724	834,844
Change in classification of funds	-			-	-
Surplus for the year	(2,487)	(141)	(1,377)	-	(4,005)
Other comprehensive income	(3,536)	-	-	-	(3,536)
Transfers between reserves	10	(10)	-	-	-
Balance at 30 June 2020	**238,860**	**38,441**	**541,278**	**8,724**	**827,303**

	Income and expenditure reserve Unrestricted £000	Restricted £000	Endowment £000	Revaluation reserve £000	Total £000
Balance at 1 July 2018	248,739	36,277	526,812	6,287	818,115
Change in classification of funds	-	207	(207)	-	-
Surplus for the year	1,013	2,147	16,050	-	19,210
Other comprehensive income	(4,918)	-	-	2,437	(2,481)
Transfers between reserves	39	(39)	-	-	-
Balance at 30 June 2019	**244,873**	**38,592**	**542,655**	**8,724**	**834,844**

The notes numbered 1 to 28 form part of these Financial Statements

Consolidated Balance Sheet

As at 30 June	Note	**2020**	**2019**
		£'000	**£'000**
Non-current Assets			
Tangible fixed assets	8	246,140	249,256
Heritage assets		530	530
Investments	9	567,558	573,186
Total non-current assets		**814,228**	**822,972**
Current Assets			
Stock	10	730	716
Trade and other receivables	11	14,058	5,028
Cash and cash equivalents	12	69,731	77,909
Total current assets		**84,519**	**83,653**
Current Liabilities			
Creditors: amounts falling due within one year	13	(11,021)	(15,115)
Net current assets		**73,498**	**68,538**
Total assets less current liabilities		887,726	891,510
Creditors: amounts falling due after more than one year	14	(36,732)	(37,454)
Net assets excluding pension liability		850,994	854,056
Net pension liability	15	(23,564)	(19,359)
Net assets including pension liability		**827,430**	**834,697**
Restricted reserves			
Income and expenditure reserve – endowment reserve	16	541,304	542,446
Income and expenditure reserve – restricted reserve	17	38,441	38,592
		579,745	581,038
Unrestricted Reserves			
Income and expenditure reserve – unrestricted		238,961	244,935
Revaluation reserve		8,724	8,724
		247,685	253,659
Total Reserves		**827,430**	**834,697**

These Financial Statements were approved by the College Council and authorised for issue on 12th November 2020 and signed on their behalf by:

Heather Hancock
Master

Chris Ewbank
Senior Bursar

The notes numbered 1 to 28 form part of these Financial Statements

College Balance Sheet

As at 30 June	Note	2020 £'000	2019 £'000
Non-current Assets			
Tangible fixed assets	8	246,390	249,499
Heritage assets		530	530
Investments	9	572,604	578,457
Total non-current assets		**819,524**	**828,486**
Current Assets			
Stock	10	586	586
Trade and other receivables	11	12,838	6,449
Cash and cash equivalents	12	66,128	71,692
Total current assets		**79,552**	**78,727**
Current Liabilities			
Creditors: amounts falling due within one year	13	(11,477)	(15,556)
Net current assets		**68,075**	**63,171**
Total assets less current liabilities		**887,599**	**891,657**
Creditors: amounts falling due after more than one year	14	(36,732)	(37,454)
Net assets excluding pension liability		**850,867**	**854,203**
Net pension liability	15	(23,564)	(19,359)
Net assets including pension liability		**827,303**	**834,844**
Restricted reserves			
Income and expenditure reserve – endowment reserve	16	541,278	542,655
Income and expenditure reserve – restricted reserve	17	38,441	38,592
		579,719	**581,247**
Unrestricted Reserves			
Income and expenditure reserve – unrestricted		238,860	244,873
Revaluation reserve		8,724	8,724
		247,584	**253,597**
Total Reserves		**827,303**	**834,844**

The College recorded a deficit for the financial year of £4,005k (2019: £19,210k surplus) and other comprehensive losses of £3,536k (2019: £2,481k).

These Financial Statements were approved by the College Council and authorised for issue on 12th November 2020 and signed on their behalf by:

Heather Hancock
Master

Chris Ewbank
Senior Bursar

The notes numbered 1 to 28 form part of these Financial Statements

Consolidated Cash Flow Statement

Year to 30 June	Note	2020 £'000	2019 £'000
Net cash outflow from operating activities	19	(15,216)	(810)
Cash flows from investing activities	20	8,858	25,208
Cash flows from financing activities	21	(1,820)	(6,690)
(Decrease)/increase in cash and cash equivalents in the year		(8,178)	17,708
Cash and cash equivalents at beginning of the year		77,909	60,201
Cash and cash equivalents at end of the year	12	**69,731**	**77,909**

The notes numbered 1 to 28 form part of these Financial Statements

Notes to the Financial Statements

1. ACADEMIC FEES AND CHARGES

	2020 £'000	2019 £'000
College Fees		
Fee income paid on behalf of undergraduates at the regulated undergraduate fee rate (per capita fee £4,625/£4,500 (2019: £4,625/£4,500))	2,570	2,449
Unregulated undergraduate fee income (per capita fee £8,700 (2019: £8,250))	680	634
Fee income received at the Graduate fee rate (per capita fee £3,911 (2019: £3,700))	966	792
	4,216	3,875
Other Educational income	367	325
Total	**4,583**	**4,200**

2. ACCOMMODATION, CATERING AND CONFERENCES INCOME

	2020 £'000	2019 £'000
Accommodation:		
College Members	3,769	4,815
Conferences	485	416
Catering:		
College Members	498	736
Conferences	747	830
Total	**5,499**	**6,797**

3. ENDOWMENT RETURN AND INVESTMENT INCOME

3a ANALYSIS OF INCOME

		2020 £'000	2019 £'000
Income from:			
Property		15,296	13,260
Securities		409	1,154
Cash		25	38
St John's Innovation Centre Limited		1,246	1,377
Aquila Investments Limited		349	238
Lomas Developments Limited		4	5
Total		**17,329**	**16,072**
Income allocated to:			
Permanent funds accounted for on a Total Return basis	3d	17,140	15,658
Permanent funds accounted for on a Standard Income basis		14	36
Expendable funds		175	378
Total		**17,329**	**16,072**

3b ANALYSIS OF GAINS ON INVESTMENTS

		2020 £'000	2019 £'000
Capital gains from:			
Property		(3,423)	3,477
Securities		5,205	20,146
	9	1,782	23,623
Gains on cash and cash equivalents		1,781	2,636
		3,563	**26,259**

3.	ENDOWMENT RETURN AND INVESTMENT INCOME (continued)		2020 £'000	2019 £'000
	Capital gains allocated to:			
	Permanent funds accounted for on a Total Return basis	3f	1,397	19,645
	Permanent funds accounted for on a Standard Income basis		307	760
	Expendable funds		1,859	5,854
			3,563	**26,259**

3c	ANALYSIS OF INVESTMENT COSTS		2020 £'000	2019 £'000
	Investment property portfolio costs		4,933	4,673
	Trading costs of St John's Innovation Centre Limited		1,519	1,599
	Trading costs of Aquila Investments Limited		172	151
	Trading costs of Lomas Development Limited		9	9
	Investment consultant, custodian/reporting and cash management fees		121	777
	Securities portfolio management fees		756	868
	Other securities portfolio operating costs		126	121
	Total		**7,636**	**8,198**
	Costs allocated to:			
	Permanent funds accounted for on a Total Return basis	3d	7,412	7,945
	Permanent funds accounted for on a Standard Income basis		28	25
	Expendable funds		196	228
	Total		**7,636**	**8,198**

3d	RECONCILIATION OF INVESTMENT INCOME INCLUDED IN THE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE		2020 £'000	2019 £'000
	Investment costs allocated to permanent funds accounted for on a total return basis	3c	7,412	7,945
	Total return on permanent funds accounted for on a total return basis transferred to income and expenditure		14,214	13,893
	Less: investment income allocated to permanent funds accounted for on a total return basis	3a	(17,140)	(15,658)
	Endowment drawdown from Unapplied Total Return added to Investment Income		4,486	6,180
	Plus: Investment Income	3a	17,329	16,072
	Total Investment Income included in the Consolidated Statement of Comprehensive Income and Expenditure		**21,815**	**22,252**

3e	RECONCILIATION OF GAINS ON INVESTMENTS INCLUDED IN THE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE		2020 £'000	2019 £'000
	Total capital gains on investments	3b	3,563	26,259
	Less: Endowment drawdown from Unapplied Total Return added to Investment Income	3d	(4,486)	(6,180)
	Gains on investments for year included within Statement of Comprehensive Income and Expenditure		**(923)**	**20,079**

3. ENDOWMENT RETURN AND INVESTMENT INCOME (continued)

3f SUMMARY OF TOTAL RETURN OF PERMANENT FUNDS ACCOUNTED FOR ON A TOTAL RETURN BASIS

		2020 £'000	2019 £'000
Allocated investment income	3a	17,140	15,658
Apportioned gains on investments	3b	1,397	19,645
Allocated investment costs	3c	(7,412)	(7,945)
Total return for year		11,125	27,358
Total return transferred to income and expenditure reserve		(14,214)	(13,893)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	**18**	**(3,089)**	**13,465**

3g RECONCILIATION OF INCOME ON THE DISTRIBUTION BASIS TO INCOME INCLUDED IN THE STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	2020 £'000	2019 £'000
Total Income included in the Consolidated Statement of Comprehensive Income and Expenditure on a Total Return basis	42,946	44,947
Transfer to income of total return from expendable endowments and general reserves	2,017	1,817
Total Income on the distribution basis	**44,963**	**46,764**

4. EDUCATION EXPENDITURE

	2020 £'000	2019 £'000
Teaching	5,110	5,114
Tutorial	1,942	1,994
Admissions	810	807
Research	1,913	1,871
Scholarships and awards	4,074	3,659
Other educational facilities	459	515
Total	**14,308**	**13,960**

5. ACCOMMODATION, CATERING AND CONFERENCES EXPENDITURE

	2020 £'000	2019 £'000
Accommodation:		
College Members	10,021	9,762
Conferences	410	394
Catering:		
College Members	2,971	2,884
Conferences	397	424
Total	**13,799**	**13,464**

6. ANALYSIS OF EXPENDITURE BY ACTIVITY

6a 2020 Expenditure

		Staff Costs (note 7) £'000	Other Operating Expenses £'000	Depreciation (note 8) £'000	Interest and other finance costs £'000	2020 Total £'000
Education	4	6,512	6,306	1,203	287	**14,308**
Residences, catering and conferences	5	5,948	2,493	4,328	1,030	**13,799**
School		4,875	1,555	376	199	**7,005**
Other		848	1,244	-	-	**2,092**
Investment costs	3c	1,016	6,448	15	157	**7,636**
Contribution under Statute G, II		-	914	-	-	**914**
Total expenditure		**19,199**	**18,960**	**5,922**	**1,673**	**45,754**

Expenditure includes fundraising costs of £631k.

6b 2019 Expenditure

		Staff Costs (note 7) £'000	Other Operating Expenses £'000	Depreciation (note 8) £'000	Interest and other finance costs £'000	2019 Total £'000
Education	4	6,299	6,200	1,198	263	**13,960**
Residences, catering and conferences	5	5,456	2,756	4,306	946	**13,464**
School		4,619	2,112	353	208	**7,292**
Other		834	1,272	-	-	**2,106**
Investment costs	3c	1,013	7,161	24	-	**8,198**
Contribution under Statute G, II		-	878	-	-	**878**
Total expenditure		**18,221**	**20,379**	**5,881**	**1,417**	**45,898**

Expenditure includes fundraising costs of £645k.

6c Auditors' remuneration

	2020 £'000	2019 £'000
Other operating expenses include:		
Audit fees payable to the College's external auditor		
For the audit of the College	64	62
For the audit of subsidiary companies	19	18
Other advisory fees payable to the College's external auditor	4	4
Total fees payable to the College's external auditor	**87**	**84**

Amounts stated above include unrecoverable VAT

7. STAFF COSTS

Staff Costs	College Fellows £'000	Other Academic £'000	Non-Academic £'000	2020 Total £'000	2019 Total £'000
Salaries	2,555	353	11,858	14,766	14,342
National insurance	278	19	1,098	1,395	1,325
Pension costs	425	35	2,578	3,038	2,554
Total	**3,258**	**407**	**15,534**	**19,199**	**18,221**

In addition to the costs shown above, the College paid £195k (2019: £195k) in the year for staff medical cover.

Staff Numbers	College Fellows	Other Academic	Non-Academic	2020 Total	2019 Total
Stipendiary Fellows	98			98	100
Average staff numbers (full-time equivalents)		8	357	365	374
Total	**98**	**8**	**357**	**463**	**474**

	2020 number	2019 Number
The Governing Body of the College, comprising all Fellows, at 30 June was	155	155

Average staff numbers (full-time equivalents) include 107 (2019: 110) School staff and 24 (2019: 26) staff employed by the St John's Innovation Centre.

The number of employees of the College and its subsidiary undertakings who received remuneration in excess of £100,000 were as follows:

	2020 number	2019 number
Between £100,000 and £110,000	4	1
Between £110,001 and £120,000	1	2
Between £120,001 and £130,000	3	1
Between £130,001 and £140,000	-	-
Between £140,001 and £150,000	3	3
Between £150,001 and £160,000	-	-
Between £160,001 and £170,000	-	-
Between £170,001 and £180,000	-	1
Between £180,001 and £190,000	-	-
Between £190,001 and £200,000	1	-

Remuneration includes salary and employer's pension contributions for current service, plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements. Remuneration does not include employer's pension deficit reduction contributions, which are paid to reduce the deficit in a pension scheme as a whole and do not relate to individual employees, or employer's National Insurance contributions.

This is a departure from the RCCA, which includes employer's National Insurance contributions in remuneration. The Trustees believe that the disclosure above more accurately represents the remuneration employees receive in exchange for their services than the disclosure required by the RCCA, which reflects the cost of employment but not remuneration.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and comprise the College Council. The Trustees of the College are its key management personnel. The remuneration of Trustees is disclosed in note 27.

8. TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	2020 Total £'000	2019 Total £'000
Cost/Valuation					
At beginning of year	311,180	3,931	2,533	317,644	314,284
Additions at cost	2,055	139	617	2,811	2,717
Revaluation	-	-	-	-	2,043
Disposals at cost	(5)	(15)	(220)	(240)	(350)
Transfers	-	-	-	-	(1,050)
At end of year	313,230	4,055	2,930	320,215	317,644
Depreciation					
At beginning of year	63,325	3,444	1,619	68,388	63,251
Charge for the year	5,352	135	435	5,922	5,881
Revaluation	-	-	-	-	(395)
Eliminated on disposals	-	(15)	(220)	(235)	(349)
At end of year	68,677	3,564	1,834	74,075	68,388
Net Book value **At end of year**	**244,553**	**491**	**1,096**	**246,140**	**249,256**
At beginning of year	247,855	487	914	249,256	251,033

Included in the cost of freehold land and buildings, are assets under the course of construction to the value of £1,924k (2019: £770k).

College	Freehold land and buildings £'000	Furniture and equipment £'000	Computer equipment £'000	2020 Total £'000	2019 Total £'000
Cost/Valuation					
At beginning of year	311,580	3,760	2,504	317,844	314,484
Additions at cost	2,055	139	617	2,811	2,717
Revaluation	-	-	-	-	2,043
Disposals at cost	(5)	(15)	(220)	(240)	(350)
Transfers	-	-	-	-	(1,050)
At end of year	313,630	3,884	2,901	320,415	317,844
Depreciation					
At beginning of year	63,408	3,353	1,584	68,345	63,224
Charge for the year	5,359	121	435	5,915	5,865
Revaluations	-	-	-	-	(395)
Eliminated on disposals	-	(15)	(220)	(235)	(349)
At end of year	68,767	3,459	1,799	74,025	68,345
Net Book Value **At end of year**	**244,863**	**425**	**1,102**	**246,390**	**249,499**
At beginning of year	248,172	407	920	249,499	251,260

Freehold land and buildings comprise the operational buildings and site of the College. Included in the cost of freehold land and buildings, are assets under the course of construction to the value of £1,924 (2019: £770k).

The insured value of freehold buildings as at 30 June 2020 was £337,128k (2019: £327,793k).

The cost to the College of freehold buildings includes the surplus of £400k on past sales of buildings to the College recorded in the accounts of Aquila Investments Limited, a subsidiary undertaking, which is eliminated from the cost to the group on consolidation.

Heritage Assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance. As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2007 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for these on a cost-benefit basis, they have not been capitalised. As a result, the total included in the balance sheet is partial.

The value of heritage assets acquired by donation during the year and the preceding seven years was £60k, received in the year ended 30 June 2013. All the above recognised Heritage Assets were donated to the College rather than purchased by the College. Heritage assets are books gifted to the College.

9. INVESTMENTS

	Group		College	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Balance at beginning of year	573,186	564,982	578,457	570,184
Additions	60,100	28,657	60,007	28,656
Disposals	(67,510)	(45,126)	(67,511)	(45,056)
Gain	1,782	23,623	1,651	23,623
Transfers from/(to) College Operations	-	1,050	-	1,050
Balance at end of year	**567,558**	**573,186**	**572,604**	**578,457**
Represented by:				
Property	329,224	338,215	324,618	333,834
Securities	238,334	234,971	238,334	234,971
Investments in subsidiary undertakings	-	-	9,652	9,652
	567,558	**573,186**	**572,604**	**578,457**

10. STOCKS

	Group		College	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Goods for resale	697	680	558	559
Other stocks	33	36	28	27
Total stocks	**730**	**716**	**586**	**586**

The Council considers that there is no material difference between the book value of stocks and their replacement cost.

11. TRADE AND OTHER RECEIVABLES

	Group		College	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts due after one year:				
Loans to Waterbeach Development Company LLP	2,210	-	-	-
Other trade debtors	5,455	-	5,455	-
Amounts due within one year:				
Net sums due from members of the College	103	179	103	179
Amounts due from subsidiary undertakings	-	-	1,575	1,893
Other trade debtors	4,085	1,357	3,899	1,084
Other taxes	42	89	31	70
Prepayments	621	1,794	338	1,742
Accrued income	1,542	1,609	1,437	1,481
	14,058	**5,028**	**12,838**	**6,449**

12. CASH AND CASH EQUIVALENTS

	Group		College	
	2020	**2019**	**2020**	**2019**
	£'000	**£'000**	**£'000**	**£'000**
Short-term money market deposits	7,365	15,263	7,365	15,263
Current accounts	62,366	62,646	58,763	56,429
Total	**69,731**	**77,909**	**66,128**	**71,692**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		College	
	2020	**2019**	**2020**	**2019**
	£'000	**£'000**	**£'000**	**£'000**
Trade creditors	806	1,614	712	1,483
Members of the College	24	110	24	110
Amounts due to subsidiary undertakings	-	-	896	898
Contribution under Statute G,II	914	878	914	878
Bank loans due within one year	722	686	722	686
Other creditors	3,268	3,791	3,265	3,791
Other taxation and social security	705	798	673	678
Accruals and deferred income	4,582	7,238	4,271	7,032
Total	**11,021**	**15,115**	**11,477**	**15,556**

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and College	
	2020	**2019**
	£'000	**£'000**
Bank loans	36,732	37,454

	Group and College	
	2020	**2019**
Bank loans repayable	**£'000**	**£'000**
Between two and five years	23,290	23,125
After five years	13,442	14,329
Total borrowings	**36,732**	**37,454**

In 2006, the College entered into an unsecured bank loan for £20 million, repayments on this started in the 2016-17 year and the loan has an interest rate fixed at 5.16% until June 2036. In 2018, the College entered into an unsecured revolving credit facility for up to £30 million, of which £20m was drawn down at 30 June 2020 (2019: £10m); this facility has a five year term and a floating interest rate. In addition, the College entered into a further unsecured bank loan for £10 million, for a one year term with a variable interest rate, this loan was extended for a 3 month period in May 2019. This loan was repaid on 1 July 2019 and the equivalent amount was drawn down on the RCF.

15. PENSION LIABILITIES (NOTE 26)

	Group and College 2020 £'000	Group and College 2019 £'000
Balance at beginning of year	19,359	14,090
Movement in year:		
Current service cost including life assurance	2,071	1,744
Changes in plan assumptions	-	61
Contributions	(1,830)	(1,833)
Other finance cost	428	379
Actuarial loss recognised in the Statement of Consolidated Income and Expenditure	3,536	4,918
Balance at end of year	**23,564**	**19,359**
Balance attributable to:		
Cambridge Colleges' Federated Pension Scheme	22,436	17,447
Universities Superannuation Scheme	1,120	1,893
Church of England Funded Pensions Scheme	8	19
Balance at end of year	**23,564**	**19,359**

16. ENDOWMENTS

Group	Unrestricted Permanent £'000	Restricted Permanent £'000	2020 Total £'000	2019 Total £'000
Balance at beginning of year:				
Capital	164,311	41,363	205,674	203,309
Unapplied Total Return	280,873	55,899	336,772	323,368
	445,184	97,262	542,446	526,677
New endowments received	326	1,344	1,670	1,753
Investment Income	17,020	134	17,154	21,874
Expenditure	(19,486)	(2,184)	(21,670)	(21,876)
Reclassification of funds	-	-	-	(207)
Increase in market value of investments	(638)	2,342	1,704	14,225
Balance at end of year	**442,406**	**98,898**	**541,304**	**542,446**
Comprising:				
Capital	164,716	42,905	207,621	205,674
Unapplied Total Return	277,690	55,993	333,683	336,772
	442,406	**98,898**	**541,304**	**542,446**
Analysed by Primary Purpose:				
Chapel/Choir	-	1,497	1,497	1,489
Education	-	9,408	9,408	9,335
Field Sports	-	4,105	4,105	4,117
Library	-	1,739	1,739	1,744
LMBC	-	1,305	1,305	1,289
Research	-	15,882	15,882	15,327
Scholarship/Awards	-	56,531	56,531	55,592
School	-	751	751	735
Other	-	7,680	7,680	7,634
General Endowments	442,406	-	442,406	445,184
Total	**442,406**	**98,898**	**541,304**	**542,446**

16. ENDOWMENTS (continued)

College	Unrestricted Permanent £'000	Restricted Permanent £'000	2020 Total £'000	2019 Total £'000
Balance at beginning of year:				
Capital	164,311	41,363	205,674	203,309
Unapplied Total Return	281,082	55,899	336,981	323,503
	445,393	97,262	542,655	526,812
New endowments received	326	1,344	1,670	1,753
Investment Income	15,470	134	15,604	14,125
Expenditure	(18,041)	(2,184)	(20,225)	(20,232)
Reclassification of funds	-	-	-	(207)
Increase in market value of investments	(768)	2,342	1,574	20,404
Balance at end of year	**442,380**	**98,898**	**541,278**	**542,655**
Comprising:				
Capital	164,716	42,905	207,621	205,674
Unapplied Total Return	277,664	55,993	333,657	336,981
	442,380	**98,898**	**541,278**	**542,655**
Analysed by Primary Purpose:				
Chapel/Choir	-	1,497	1,497	1,489
Education	-	9,408	9,408	9,335
Field Sports	-	4,105	4,105	4,117
Library	-	1,739	1,739	1,744
LMBC	-	1,305	1,305	1,289
Research	-	15,882	15,882	15,327
Scholarship/Awards	-	56,531	56,531	55,592
School	-	751	751	735
Other	-	7,680	7,680	7,634
General Endowments	442,380	-	442,380	445,393
Total	**442,380**	**98,898**	**541,278**	**542,655**

17. RESTRICTED RESERVES

Group and College	Capital Grants £'000	Other Restricted Funds £'000	2020 Total £'000	2019 Total £'000
Balance at beginning of year	-	38,592	38,592	36,277
New grants	175	-	175	39
New donations	-	1,227	1,227	1,678
New endowments	-	78	78	50
Investment income	-	2,004	2,004	2,138
Capital grants utilised	(10)	-	(10)	(39)
Expenditure funded from restricted funds	-	(4,444)	(4,444)	(4,413)
Gains on investments	-	819	819	2,655
Reclassification of funds	-	-	-	207
Transfer of Unspent Income to Endowment	-	-	-	-
Balance at end of year	**165**	**38,276**	**38,441**	**38,592**
Analysed by Primary Purpose:				
Chapel/Choir	-	2,679	2,679	2,681
Education	-	3,130	3,130	3,139
Library	-	1,398	1,398	1,403
Maintenance	-	993	993	995
Research	-	198	198	197
Scholarship/Awards	-	28,500	28,500	28,700
School	-	694	694	822
Capital expenditure	165	-	165	-
Other	-	684	684	655
Total	**165**	**38,276**	**38,441**	**38,592**

18. MEMORANDUM OF UNAPPLIED TOTAL RETURN

Included within endowments, the following amounts represent the Unapplied Total Return of the College's Permanent funds managed on a total return basis:

Group	Note	2020 £'000	2019 £'000
Unapplied Total Return at beginning of year	16	336,772	323,368
Unapplied total return on reclassification of funds		-	(82)
Opening Unapplied Total Return of funds adopting total return for the first time in the year		-	21
Unapplied Total Return for the year	3f	(3,089)	13,465
Unapplied Total Return at end of year	16	**333,683**	**336,772**

College	Note	2020 £'000	2019 £'000
Unapplied Total Return at beginning of year	16	336,981	323,503
Unapplied total return on reclassification of funds		-	(82)
Opening Unapplied Total Return of funds adopting total return for the first time in the year		-	21
Unapplied Total Return for the year		(3,324)	13,539
Unapplied Total Return at end of year	16	**333,657**	**336,981**

19. RECONCILIATION OF CONSOLIDATED SURPLUS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2020 £'000	2019 £'000
(Deficit)/surplus for the year	(3,731)	19,128
Adjustment for non-cash items		
Depreciation	5,922	5,881
Endowment drawdown from unapplied total return	(4,486)	(6,180)
Gain on investments	923	(20,079)
Decrease/(increase) in operational stocks	-	(12)
(Increase)/decrease in operational trade and other receivables	(5,011)	7,735
(Decrease)/increase in operational creditors	(902)	(799)
Pension costs less contributions payable	241	(27)
Adjustment for investing or financing activities		
Net investment income	(9,693)	(7,874)
Interest and other finance costs payable	1,516	1,417
Loss on disposal of non-current assets	5	-
Net cash outflow from operating activities	**(15,216)**	**(810)**

20. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £'000	2019 £'000
Proceeds from sales of non-current fixed assets	-	1,050
Net investment income	9,693	7,874
Endowment funds (invested)/disinvested	7,410	15,419
(Decrease)/increase in investment working capital	(7,215)	946
(Losses) on cash and cash equivalents	1,781	2,636
Payments made to acquire non-current assets	(2,811)	(2,717)
Total cash flows from investing activities	**8,858**	**25,208**

21. CASH FLOWS FROM FINANCING ACTIVITIES

	2020 £'000	2019 £'000
Interest paid	(1,098)	(1,038)
Repayments of amounts borrowed	(722)	(5,652)
Total cash flows from financing activities	**(1,820)**	**(6,690)**

22. CONSOLIDATED RECONCILIATION AND ANALYSIS OF NET DEBT

	At 1 July 2019 £000	Cash flows £000	Other non-cash movements £'000	Changes in market value and exchange rates £000	At 30 June 2020 £'000
Cash and cash equivalents	77,909	(9,959)	-	1,781	69,731
Borrowings					
Amounts falling due within one year					
Unsecured loans	(686)	-	(36)	-	(722)
Amounts falling due after more than one year					
Unsecured loans	(27,454)	10,686	36	-	(16,732)
Revolving credit facility	(10,000)	(10,000)	-	-	(20,000)
	(37,454)	686	36	-	(36,732)
Net total	**39,769**	**(9,273)**	**-**	**1,781**	**32,277**

23. FINANCIAL INSTRUMENTS

	Group		College	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial assets				
Financial assets at fair value through Statement of Comprehensive income				
Equity investments	238,334	234,971	238,334	234,971
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	69,731	77,909	66,128	71,692
Other debtors	13,395	3,145	12,469	4,637
Investments in subsidiary undertakings	-	-	9,652	9,652
	83,126	81,054	88,249	85,981
Financial liabilities				
Financial liabilities measured at amortised cost				
Loans	(37,454)	(38,140)	(37,454)	(38,140)
Trade creditors	(806)	(1,614)	(712)	(1,483)
Other creditors	(7,365)	(7,579)	(8,035)	(8,369)
	(45,625)	(47,333)	(46,201)	(47,992)

24. CAPITAL COMMITMENTS

Capital commitments at 30 June were as follows:	2020 £'000	2019 £'000
Authorised and contracted	284	-

25. LEASE COMMITMENTS

Operating Lease Commitments

Total future minimum lease payments under non-cancellable operating leases at 30 June were as follows:	Group 2020 £'000	Group 2019 £'000	College 2020 £'000	College 2019 £'000
Expiring within one year	-	4	-	-
Expiring between two and five years	63	87	63	87
Expiring after five years	16	-	-	-
	79	**91**	**63**	**87**

26. PENSION SCHEMES

The College and its subsidiary undertakings participate in four defined benefit schemes, as well as a number of defined contribution schemes.

Cambridge Colleges' Federated Pension Scheme

The College operates a defined benefit pension plan for the College's employees who are members of the Cambridge Colleges' Federated Pension Scheme.

The liabilities of the plan have been calculated, at 30 June 2020, for the purposes of FRS 102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 March 2020 but allowing for the different assumptions required under FRS 102 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 % p.a.	2019 % p.a.
Discount rate	1.45	2.25
Increase in salaries	2.70	2.90
RPI assumption	3.10	3.40
CPI assumption	2.20	2.40
Pension increases in payment (RPI Max 5% p.a.)	3.00	3.30
Pension increases in payment (CPI Max 2.5% p.a.)	1.80	1.90

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% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements (2019: S3PA with CMI_2018 future improvement factors and a long-term future improvement rate of 1.25% p.a., a standard smoothing factor (7) and no allowance for additional improvements). This results in the following life expectancies:

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

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

	Male	Female
Active Members – Option 1 Benefits	65	63
Deferred Members – Option 1 Benefits	62	60

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

26. PENSION SCHEMES (continued)

Employee Benefit Obligations

The amounts recognised in the Balance Sheet as at 30 June are as follows:

	2020	2019
	£'000	£'000
Present value of plan liabilities	(61,276)	(53,163)
Market value of plan assets	38,840	35,716
Net defined benefit liability	**(22,436)**	**(17,447)**

The amounts to be recognised in Profit and Loss for the year ended 30 June are as follows:

	2020	2019
	£'000	£'000
Current service cost	1,521	1,269
Administrative cost	58	58
Interest on net defined benefit liability	395	365
Loss on plan changes	-	60
Total	**1,974**	**1,752**

Changes in the present value of the plan liabilities for the year ended 30 June are as follows:

	2020	2019
	£'000	£'000
Present value of plan liabilities at beginning of period	53,163	45,394
Current service cost (including Employee contributions)	1,521	1,269
Employee contributions	349	375
Benefits paid	(1,355)	(1,163)
Interest on plan liabilities	1,201	1,232
Actuarial losses	6,397	5,996
Loss on plan changes	-	60
Present value of plan liabilities at end of period	**61,276**	**53,163**

Changes in fair value of the plan assets for the year ended 30 June are as follows:

	2020	2019
	£'000	£'000
Market value of plan assets at beginning of period	35,716	31,972
Contributions paid by the College	1,297	1,368
Employee contributions	349	375
Benefits paid	(1,355)	(1,163)
Administrative expenses paid	(106)	(96)
Interest on plan assets	806	868
Return on assets, less interest included in the statement of comprehensive income	2,133	2,392
Market value of plan assets at end of period	**38,840**	**35,716**
Actual return on plan assets	**2,939**	**3,259**

The major categories of plan assets as at 30 June are as follows:

	2020	2019
Equities	49%	57%
Bonds and cash	41%	34%
Property	10%	9%
Total	**100%**	**100%**

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

26. PENSIONS SCHEMES (continued)

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ended 30 June are as follows:

	2020 £'000	2019 £'000
Return on assets, less interest included in Profit and Loss	2,133	2,392
Expected less actual plan expenses	(48)	(38)
Experience gains and losses arising on plan liabilities	(489)	(6)
Changes in assumptions underlying the present value of plan liabilities	(5,908)	(5,989)
Remeasurement of net defined benefit liability recognised in Other Comprehensive Income	**(4,312)**	**(3,641)**

Movements in net defined benefit liability during the year ended 30 June are as follows:

	2020 £'000	2019 £'000
Net defined benefit liability at beginning of the year	(17,447)	(13,422)
Recognised in Statement of Comprehensive Income	(1,974)	(1,752)
Contributions paid by the College	1,297	1,368
Actuarial loss recognised in other comprehensive income	(4,312)	(3,641)
Net defined benefit liability at the end of the year	**(22,436)**	**(17,447)**

Funding Policy

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS 102.

The last such valuation was as at 31 March 2017. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 28 June 2018 and are as follows:

- Annual contributions of not less than £401,899 p.a. payable for the period from 1 July 2018 to 31 March 2030.

These payments are subject to review following the next funding valuation, as at 31 March 2020, which is underway but not yet complete.

Universities Superannuation Scheme

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. In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes, reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general. The Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn. The review is ongoing and the valuation is expected to be concluded in June 2021. The impact on the College's deficit is therefore unknown at the date of approval of these financial statements, and the College has concluded that the schedule of deficit contributions in force at 30 June 2020 is the correct basis for calculation of the liability as at 30 June 2020.

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the 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%.

26. PENSIONS SCHEMES (continued)

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

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

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

	2020 (2018 Valuation)	2019 (2017 Valuation)
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. Post retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% 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% p.a. for males and 1.6% p.a. for females.	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

	2020 (2018 valuation) years	2019 (2017 valuation) years
Males currently aged 65	24.4	24.6
Females currently aged 65	25.9	26.1
Males currently aged 45	26.3	26.6
Females currently aged 45	27.7	27.9

	2020 £bn	2019 £bn
Scheme assets	63.7	60.0
Total scheme liabilities	(67.3)	(67.5)
FRS 102 total scheme deficit	(3.6)	(7.5)
FRS 102 total funding level	95%	89%

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%, payable until 31 March 2028. The 2020 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions:

	2020 % p.a.	2019 % p.a.
Discount rate	1.45	2.24
Pensionable salary growth	2.64	2.11

26. PENSION SCHEMES (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2020 £'000	2019 £'000
Balance sheet liability at 1 July	1,893	644
Deficit contributions paid	(39)	(44)
Interest cost	42	14
Remaining change to the balance sheet liability*	(776)	1,279
Balance sheet liability at 30 June	**1,120**	**1,893**

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

The total credit to the profit and loss account is £246k (2019: charge £1,710k).

Deficit recovery contributions due within one year for the College are £52k (2019: £33k).

Church of England Funded Pensions Scheme (CEFPS)

The College participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Bodies, and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The total credit to the profit and loss account is £7k (2019: charge £1k).

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

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a.

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

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

As at 30 June 2019 the deficit recovery contributions under the recovery plan in force were 11.9% of pensionable stipends until December 2025.

As at 30 June 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

26. PENSION SCHEMES (continued)

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

	2020	2019
	£'000	£'000
Balance sheet liability at 1 July	19	24
Deficit contribution paid	(2)	(3)
Interest cost	(9)	-
Remaining change to the balance sheet liability*	-	(2)
Balance sheet liability at 30 June	**8**	**19**

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

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

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

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

Teachers' Pension Scheme

The College School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £555k (2019: £385k) and at the year-end £nil (2019 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in

26. PENSION SCHEMES (continued)

the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

27. RELATED PARTY TRANSACTIONS

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

The College maintains a register of interests for all College Council members, and where any member of the College Council has a material interest in a matter of business before the Council they are obliged under the standing orders of the College to declare that fact.

Fellows are remunerated for teaching, research and other duties within the College, Fellows are billed for any private catering. The College also offers Fellows and staff assistance with housing costs on a shared equity basis and has a housing allowance scheme to assist Fellows in the first four years after joining the Fellowship. The remuneration of Fellows is overseen by the Remuneration Committee.

The School provides a discount on school fees to its staff as part of its terms of appointment; where children of Fellows and other staff attend the School, they pay fees on the normal terms.

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

27. RELATED PARTY TRANSACTIONS (continued)

The salaries paid to Trustees in the year, including any salary supplements paid in lieu of employer pension contributions where applicable, are summarised in the table below:

From	To	2020 Number	2019 Number
£0	£10,000	10	6
£10,001	£20,000	3	2
£20,001	£30,000	-	3
£30,001	£40,000	1	-
£40,001	£50,000	1	-
£50,001	£60,000	-	1
£60,001	£70,000	-	-
£70,001	£80,000	-	-
£80,001	£90,000	-	1
£90,001	£100,000	1	-
£100,001	£110,000	-	-
£110,001	£120,000	-	-
£120,001	£130,000	1	1
£130,001	£140,000	-	-
£140,001	£150,000	-	-
£150,001	£160,000	-	1
£160,001	£170,000	-	-
£170,001	£180,000	-	-
£180,001	£190,000	1	-
Total		**18**	**15**

The total Trustee salaries in the year were £561,634 for the year (2019: £539,246).

The aggregate amounts of other benefits, employer national insurance contributions and employer current service pension contributions paid or payable during the year are as follows:

	2020 Total £'000	2019 Total £'000
Salaries	562	539
Other taxable benefits	9	13
Employer pension contributions for current service	86	68
Employer National Insurance	67	63
Aggregated key management personnel compensation	724	683

The College has a number of trading and dormant subsidiary undertakings which are consolidated into these accounts. All subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales.

The College is taking advantage of the exemption within Section 33 of FRS 102 not to disclose transactions with wholly owned group companies that are related parties.

At 30 June 2020, Aquila Investments Ltd had outstanding unsecured loans of £2,210k (2019: £nil) due from Waterbeach Development Company LLP, a joint venture in which it holds a 17.5% share. These comprise a £2m interest-bearing loan which is repayable in 2029, or earlier if certain conditions are met, and may be converted into an increased partnership share, and a £210k interest-free loan which is part of funding provided by the members in proportion to their partnership shares, and is repayable in 2029 or earlier. The interest-free loan must be repaid before any repayments of convertible loans or any discretionary distributions to members are made.

28. SUBSIDIARY UNDERTAKINGS AND JOINT VENTURES

Subsidiaries

The College's principal trading and dormant subsidiary undertakings at 30 June 2020 and 30 June 2019 are set out below.

Subsidiary	Activity	Holding	%
St John's Enterprises Limited	The provision of conference facilities and tourism administration at St John's College, Cambridge.	2 ordinary shares of £1 each	100%
Aquila Investments Limited	Property development and farming.	74,805,020 ordinary shares of 1p each	100%
St John's Innovation Centre Limited	The management of St John's Innovation Centre on behalf of the College, and the provision of advice and guidance to early-stage knowledge-based businesses in the Cambridge sub-region.	113,429 ordinary shares of £1 each	100%
Lomas Developments Limited	Property development.	5,000,004 ordinary shares of 10p each	100%
St John's College Development Limited	Dormant	820,004 ordinary shares of 50p each	100%
Aquivar Management Services Limited	Dormant	100 ordinary shares of £1 each	100%
SJCS International Limited	Leasing of intellectual property	1 ordinary share of £1 each	100%

Joint Ventures

The College's principal trading and dormant joint venture undertakings at 30 June 2020 and 30 June 2019 are set out below.

Joint venture	Activity	Country of Incorporation	% Holding
Barberry Nottingham LLP (Dissolved 22 October 2019)	Property development.	United Kingdom	75%
Waterbeach Development Company LLP (from 12 September 2019)	Property development	United Kingdom	17.5%