



SIDNEY SUSSEX COLLEGE
Sidney Street, Cambridge CB2 3HU

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Charity Registration Number: 1137586

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REFERENCE AND ADMINISTRATIVE DETAILS

Charity Trustees (Members of the Council)

Ex-Officio Members:

Master: Professor R Penty
Vice Master: Professor G Gerstle (to 31 August 2021)
Professor K Armstrong (from 1 September 2021)
Senior Tutor: Mr M Beber
Bursar: Ms S Bonnett

Fellows Elected by and from Members of the Governing Body:

Dr F Bordin
Dr C Doran
Dr M Eilstrup-Sangiovanni (from 1 Sep 2021)
Dr L Fruk (to 31 Aug 2021)
Dr B Fulda
Dr R Garcia-Mayoral
Dr H Groom (from 1 Sep 2021)
Dr Ö Öner
Dr R Ranasinghe (from 1 Sep 2021)
Prof C Reynolds
Dr C Roberts (to 31 Aug 2021)
Prof R Sepulchre (from 1 Sep 2021)
Dr J Seymour (to 31 Aug 2021)
Dr R Stasch
Dr C Sumnall (from 1 Sep 2021)

Four Elected Student Members:

JCR President: Mr J Lowry (to 31 Dec 2021)
Mr S Lu (from 1 Jan 2022)
MCR President: Ms J Dadiya (to 22 May 2022)
Ms I Horvat Mineh (from 23 May 2022)
JCR Vice-President: Ms M Kazani
Student Rep: Mr A Nashat Mettry (to 24 Oct 2021)
Ms S Mahmood (from 25 Oct 2021)

Governing Body

The names of the members of the Governing Body for the year ended 30 June 2022 were as follows:

Master: Professor R Penty

Professor A Al-Tabbaa
Professor K Armstrong
Dr T Aubry
Ms A Baskerville
Mr M Beber
Professor E Biagini
Dr S Bill
Ms S Bonnett
Dr F Bordin
Dr P Carter
Dr L Cheke
Dr G Crossan
Dr T Demetriou
Dr C Doran
Dr R Duschinsky
Dr M Eilstrup Sangiovanni
Dr E Eiser
Professor A Flewitt
Dr P Flynn
Dr L Fruk
Dr B Fulda
Dr Y Galanakis
Dr N Ganany
Dr R Garcia-Mayoral
Professor G Gerstle
Dr B Gray
Professor A Greer
Dr B Groisman
Dr H Groom
Professor M Gurnell
Dr F Hall
Dr J Holley (from 1 Sep 2021)
Dr A Jackson
Dr R Jackson-Ravenscroft (to 31 Aug 2021)
Dr T Lambert
Dr H Leggett
Dr J Longley
Professor P McHugh
Dr F Muschitiello
Professor A Neely
Dr M Noriega-Sanchez
Dr Ö Öner
Professor M Pollitt
Dr M Ramage
Ms E Rampton
Dr R Ranasinghe
Professor C Reynolds
Dr C Roberts
Dr C Roddie
Dr C Scalliet
Dr A Schneider (from 1 Sep 2021)
Professor R Sepulchre

Dr J Seymour
Dr M Shirk (to 31 Aug 2021)
Dr D Skinner
Dr P Sliwa (to 31 Aug 2021)
Dr R Stasch
Dr S Strelchuk
Dr C Sumnall
Dr S Theil (from 1 Sep 2021)
Dr O Weller
Dr E Wilson-Lee
Professor M Zernicka-Goetz

Elected student members of Council are also members of the Governing Body (see Council membership on previous page)

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Senior officers

Master: Professor R Penty
Vice Master: Professor G Gerstle (to 31 Aug 2021)
Professor K Armstrong (from 1 Sep 2021)
Senior Tutor: Mr M Beber
Bursar: Ms S Bonnett

Principal advisers

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

Bankers: Barclays Bank plc
Abacus House
Castle Park
Castle Hill
Cambridge
CB3 0AN

Buildings Consultants: Pleasance, Hookham & Nix
1 Northampton Street
Cambridge
CB3 0AD

Property Managers: Cheffins Commercial
Clifton House
1-2 Clifton Road
Cambridge
CB1 7EA

Investment Managers: BlackRock Investment Management (UK) Limited
12 Throgmorton Avenue
London
EC2N 2DL

Legal Advisers: Mills & Reeve
Botanic House
100 Hills Road
Cambridge
CB2 1PH

OPERATING AND FINANCIAL REVIEW

1. About Sidney Sussex

Sidney Sussex College was founded in 1596 under the will of Lady Frances Sidney, Countess of Sussex and is one of the ancient colleges of the University of Cambridge. Its purposes are the admission and education of students matriculated in the University of Cambridge and the promotion of academic research by its Fellows. It is an independent, self-governing, corporate body whose affairs are regulated by statutes approved by the King in Council (formerly by the Queen in Council). The College was formally registered with the Charity Commission on 25 August 2010. The College provides accommodation and catering for its junior members through most of the year, and for academic and other conferences during vacations.

Aims and objectives of the College

The College is a place of education, religion, learning and research, and it aims to promote academic excellence and freedom of thought and belief.

Education

The College provides, in conjunction with the University of Cambridge, an education for almost 650 undergraduate and postgraduate students, which is recognised internationally as being of the highest standard. This education is both academic and personal in the sense that it enhances the students' potential to become leaders and effective communicators, so preparing them to play full and effective roles in society. It is a central aim of the College to promote academic excellence, just as it is to guard freedom of thought and belief, for all its members and for the public good.

In pursuit of these benefits, the College:

- provides extensive teaching facilities, especially including individual or small-group supervision, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems;
- provides social, cultural, musical, recreational and sporting facilities enabling all students to realise their academic and personal potential to the full while studying at the College;
- is committed to the freedom of thought and expression;
- maintains an extensive library, so providing a valuable resource for students and Fellows of the College.

The College is committed to:

- admitting undergraduate and postgraduate students who have the highest potential for benefitting from the education provided by the College and the University;
- operating an outreach programme to raise educational aspiration, and to attract outstanding applicants who might not otherwise have considered entering Higher Education at all, so that they may be encouraged to apply to a University, to Cambridge in general and to Sidney Sussex College in particular. This programme involves an extensive round of visits to schools, school visits to the College, open days, taster days devoted to individual academic disciplines and admissions conferences for teachers, as well as extensive guidance and information available on the College website;
- setting out an admissions policy that ensures students are selected without regard to their gender, sexuality, social background, geographic location, religious commitment, ethnic origin or financial position. No student is excluded on the grounds, or as a result, of these factors;
- charging the following fees:
 - Home and EU undergraduates are charged a combined University and College fee of £9,250 (£9,250 in 2020-21), of which the College's share is £4,625 (£4,625 in 2020-21);
 - Overseas undergraduates are charged a College fee of £9,840 (£9,371 in 2020-21);
 - Postgraduates are charged a combined University and College fee, which varies according to the course. The total fee income is then allocated across Colleges at an equal average rate per student which for 2021-22 is £4,475 per postgraduate (£4,069 in 2020-21);
 - Accommodation and meals are charged at reasonable rates;

- assisting undergraduates with limited financial means by providing bursary support through the Cambridge Bursary Scheme, which is operated jointly by Colleges and the University. For the academic year 2021-22, the number of awards made was 88 (2020-21: 81) out of a Home/EU undergraduate population of 348 (2020-21: 340); 40 (2021: 44) of the awards were at the maximum value of £3,500 (2020-21: £3,500); and the average value of the awards was £2,500 (2020-21: £2,793);
- supporting the costs of postgraduate students by providing substantial financial support. This includes studentships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages;
- supporting all students through a grants scheme, assisting with the purchase of books and equipment, attendance at conferences, study and research grants and travel grants;
- operating a hardship scheme for all students in financial need.

Public benefit

The Council has complied with its duty regarding public benefit, showing regard to the Charity Commission's guidance. The College follows a rigorous and objective process for selecting members in partnership with the University of Cambridge.

In order to fulfil its charitable purposes of advancing education, religion, learning and research, the College employs Fellows in roles which include those of Teaching Officers, Directors of Studies, Tutors, and senior administrative officers. All Fellows in Classes 1, 2 and 3 are members of the College's Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's aims, and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally, and reviewed by the Remuneration Committee which has at least two external members. Annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

As a not-for-profit organisation, the College sets its charges for members only as high as is necessary to cover costs. Bursaries and other financial support are offered to individuals wherever possible, in an effort to ensure that no one is dissuaded from applying, taking up a place or completing their studies because of financial hardship.

Religion

In pursuing its objective as a place of religion, the College carries forward the tradition, continuous since its foundation, of reflection upon the benefits, and moral and ethical commitments, entailed by religious belief, and upon the implications of that belief for the individual and society. It is, further, a central aim of the College to promote freedom of thought and belief among all its members, of any faith and none.

As part of this, the College:

- maintains, in accordance with its Statutes and the law of the land, its historic connection with the work of the Church of England, particularly through its Anglican services in College;
- maintains and supports the Chapel as a place of religious worship and holds a variety of religious services on weekdays and at weekends during term, which are open to the general public and to visitors;
- supports the emotional, spiritual and mental wellbeing of all members of the College community through its chaplaincy, and through the stimulus that the chapel can provide to all, regardless of whether they have a particular faith commitment or not, to reflect upon the ethical and wider dimensions of human existence and the accompanying social responsibilities;
- enriches its services in Chapel through its outstanding choral tradition carried forward by the College's Choir.

The College's religious services (in all senses of the word 'services') are available to every member of the College, and benefit the wider public through the openness of all rites (twice weekly Evensong), alongside a variety of other services, to all members of the public, through charitable collections undertaken by members of

the College, and through the promotion and dissemination into society at large of values and practices that foster moral, spiritual and ethical well-being.

Learning and research

Learning and research seek to increase the sum of human knowledge and to be applied to the benefit of society. It is a central aim of the College to promote academic excellence through research, and in doing so to uphold freedom of expression, thought and belief, for all its members and for the public good.

In carrying out its objective of advancing research, the College:

- usually offers two Research Fellowships per year tenable for a period of 3 years;
- provides College Teaching Officer posts, the duties of which require that a substantial proportion (at least 50%) of time be devoted to developing the Fellow's research. In 2021-22 there were 5.5 College Teaching Officers in post;
- supports research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encourages visits from other academics, from home and abroad, through its Visiting Fellowships and other similar programmes;
- maintains a library and College Archive, including important special collections of great value for which the College has a duty of perpetual and inalienable care, so providing a valuable resource of learning and scholarship.

With a view to improving access to learning and research:

- the academic staff of the College are recruited for their potential to contribute to the College's aim of promoting academic excellence, regardless of their gender, sexuality, social background, religious commitment, ethnic origin or financial position;
- the College supports and encourages the dissemination of research undertaken by members of the College to the public at large through the publication of papers in academic journals or other suitable means, including the mass-media of radio, television, journalism, web and social media;
- Research Fellowships, like College Teaching Fellowships, are awarded to outstanding academics at the early stages of their careers. Research Fellowships enable academics to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post. Teaching Fellowships combine a proportion of teaching and administrative duties with a similar opportunity to develop and focus on research.

2. Review of operations

2.1. Responding to COVID-19

The COVID-19 global pandemic, which emerged in early 2020, had a significant operational and financial impact on the College throughout the 2020-21 academic year, and impacts continued to be felt during 2021-22.

With the easing of national restrictions, the College was largely open for the start of Michaelmas Term, although remaining closed to the general public in line with many other Colleges. All College members were strongly encouraged to take up the offer of vaccinations, use face coverings in communal areas and take a lateral flow test before attending College events. Students were advised of expectation that they be in Cambridge for their studies, with the University adopting a policy on temporary permissions to study remotely, for which any applications were considered on a case-by-case basis in discussion with the student and the College. There was a return to in-person small-group teaching unless there was a strong reason to use online delivery.

The University made available regular asymptomatic COVID-19 testing for students throughout Michaelmas and Lent Terms, with symptomatic testing continuing into Easter Term. Support for students in College, particularly for those required to self-isolate, was made available through their Tutor, Director of Studies or the College Nurse. Spikes in infection levels were closely monitored in liaison with the University's COVID-19 Incident Management Team and with the JCR and MCR representatives. Rent rebates were available to isolating students who incurred additional rental charges by remaining in College accommodation beyond the end of their termly licence in order to complete periods of self-isolation.

A new Agile Working Policy was introduced for staff to enable ad hoc hybrid working patterns where appropriate, with agreement of the relevant Head of Department. College staff were required to inform their line manager and/or the Human Resources Manager if they were required to self-isolate, and all College members were reminded to report to the University using the University's COVID-19 monitoring form. A Staff Bulletin was introduced to keep staff apprised of all matters relating to the College, including the application of COVID-19 policies and protocols.

By the start of Easter Term, and in keeping with Government guidance, the College moved to managing COVID-19 as it would any other respiratory infection, advising those with symptoms to stay home, avoid contact with others and take sensible precautions. Requirements for regular testing and to report positive tests to the College and University ended, as did restrictions on capacity limits at College events and for general College visitors. COVID-19 signage was removed, and the wearing of face coverings was left to the individual as a matter of personal choice.

2.2. Student numbers

During the 2021-22 academic year, the College admitted 109 (2020-21: 113) undergraduates and 115 (2020-21: 103) postgraduate students. The breakdown for each is shown in the tables below.

<u>Undergraduate Admissions</u>	Arts		Sciences		Overall	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Male	21	22	29	30	50 (46%)	52 (46%)
Female	35	40	24	21	59 (54%)	61 (54%)
Total	56	62	35	51	109	113
Comprising:						
Home maintained school					57 (52%)	58 (51%)
Home independent school					32 (29%)	24 (21%)
Settled Status maintained school					1 (1%)	
Settled Status independent school					1 (1%)	
Pre-settled Status					2 (2%)	
Overseas (EU) Status					2 (2%)	
Overseas Status					14 (13%)	15 (13%)
Total					109	113

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Postgraduate Admissions	Arts		Sciences		Overall	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Male	31	32	30	23	61 (53%)	55 (56%)
Female	39	38	13	6	52 (45%)	44 (44%)
Other/Unknown	1		1		2 (2%)	
Total	71	70	44	26	115	99

In total, 402 (2020-2021: 396) undergraduate and 269 (225 full-time) (2020-2021: 252 [214 full-time]) postgraduate students were on the register.

2.3. Student support

In order to assist undergraduates from families with low incomes, the College provides financial support through the Cambridge Bursary Scheme which is operated jointly by Colleges and the University. In addition, the College provides a number of top-up bursaries. Undergraduates in the College received £319,550 (2020-21: £335,329) in bursaries. In addition, the College provided £52k (2020-21: £88k) in study awards and hardship grants to students in financial need.

The College provided £210k (2020-21: £151k) in financial support to postgraduate students in order to assist with their costs. This is in the form of a limited number of full studentships, top-ups to external studentships and assistance with research expenses.

To raise educational aspiration and attract outstanding applicants, who might not otherwise have considered applying, the College operates an outreach programme. The programme includes visits to schools, visits by schools, open days, taster days devoted to individual academic disciplines and admissions conferences for teachers, as well as extensive guidance and information available on the College website. Excluding bursaries the College spent £59,000 (2020-21: £65,000) on access activity in the year.

2.4. Academic achievements

Academic results 2022

First Degrees	No. of students		Results available to date as % of those who sat classed examinations	
	2022	2021	2022	2021
Undergraduates who sat classed examinations	341	356	100%	
Classed results available	341	259	100%	100%
of which:				
All First including Distinctions (and Part III Maths Merits)	97	82	28.4%	31.7%
II.i and Fourth Year Merits (other than Part III Maths)	183	149	53.7%	57.5%
II undivided	18	3	5.3%	1.2%
II.ii and Fourth Year Honours Passes	29	23	8.5%	8.9%
III	9	1	2.6%	0.4%
Failures to satisfy the Examiners	5	1	1.5%	0.4%

The fulfilment of intellectual potential through pursuit of academic excellence is at the heart of Sidney's educational mission. The 2022 examination round was the first in three years free from pandemic-induced disruptions and adjustments. Several subjects - Geography, History, Manufacturing Engineering and Theology posted formidable group performances, with the students' average percentile ranking in the top 30%, several individual results in the top decile, and a proportion of Firsts well above the University average. Additionally, English, HSPS, Law and Veterinary Medicine achieved average percentiles in the top 40%. At the same time, COVID-19 faced students with extraordinary learning and personal challenges; these are bound to have played a role in the significant rise in the number of students needing to sit examinations under special conditions, to seek allowances for examinations in which they had not met the pass mark, or to intermit their studies. Sidney's experience is in line with the University's, with numbers in each of these categories at twice or more the average for pre-COVID-19 years.

Postgraduate qualifications

College members graduating in 2021-22 achieved 32 PhDs plus 1 DSc, 18 MBChir and Vet MBs, and 323 Masters-level degrees (2020-21: 16, 14 and 58 respectively) between them¹. The number of postgraduate degrees conferred in 2021-22 was higher than in 2020-21 partly because, due to COVID-19, a number of students have elected to wait for an in-person graduation, and others have applied for extra time. The on-going pandemic disruption continued to affect both the timing of submission of research degrees, and the choices made by postgraduate students, once they had satisfied all conditions for the formal award of their degree, whether to defer conferment of the degree until they could receive it in person.

2.5. Capital expenditure and maintenance

The maintenance of the College's operating assets requires a continuing financial commitment from the College.

In July 2021 the major project involving the build of a new basement kitchen and creation of a new dining space was completed. This involved building a new basement underneath the Master's garden, relocation of the kitchen into the basement, expanding the existing servery and developing an additional new dining space. The total cost of the project was £12.3 million, of which £4.9 million was funded from donations and legacies, and the remaining £7.4 million from the College's free reserves. The facilities were brought into use from the start of Michaelmas Term 2021 and have provided impressive new facilities for College members and conference guests.

The College also operates a planned maintenance refurbishment programme designed to maintain and improve the estate. In 2021-22 the College spent the budgeted £0.4 million on this programme (including redecoration of Cromwell Court, Garden Court, 4 & 6 Park Parade, and the College's contribution to the shared Boat House renovations). £0.5 million is budgeted to be spent in 2022-23 (to include the refurbishment of 25, 26 and 27 Park Parade hostels and the further redecoration of Garden Court).

2.6. Data handling

The College continues to monitor its data handling, reporting and Data Protection Statements in light of the UK General Data Protection Regulation (UK-GDPR).

2.7. Donations and fundraising

The College's fundraising efforts are primarily directed at raising money from its alumni through major gifts, regular giving and legacies. While unrestricted gifts are actively encouraged in order for greater flexibility to direct funds to the greatest need, key pillars for College fundraising are student support, teaching and research, college life, and buildings and environment. COVID-19 continued to significantly impact fundraising and alumni relations during the 2021-22 financial year. This was further compounded by a change of office leadership, turnover of staff and a challenging recruitment market.

Given the circumstances, the College is immensely grateful for the £1,215,235 in donations and legacies received over the course of the year. Included in this amount was a donation in kind of an Enigma machine, valued by Bonhams at £200,000.

As income received can vary significantly, the table below shows funds received over last five financial years which demonstrates the fluctuation from year to year.

SIDNEY	2017-18	2018-19	2019-20	2020-21	2021-22
Income received	£2,119,467	£1,439,249	£1,582,116	£2,361,502	£1,215,235
Largest gift	£504,833	£125,000	£300,000	£410,209	£276,769

¹ The 58 Master level degrees do not include BAMENG, BAMSCI, or BAMMATH students of which there were 23.

All fundraising is carried out by the Development and Alumni Relations Office, with support from the leadership team. The department reports quarterly results to Council and all its work is subject to oversight by a dedicated College committee, which meets three times per year. The College is registered with the Fundraising Regulator and was not the subject of any complaints to that body in 2021-22. The College has a Data Protection Statement which governs the use of any personal data held and how it is used, and the College insists alumni provide consent in holding personal data. Furthermore, communication preferences are always adhered to. The College does not seek support from the general public and takes active steps to respect the needs of any potential supporter who may be in a vulnerable circumstance or require additional care and support to make an informed decision.

2.8. Equal opportunities

The College is committed to the principle and practice of equal opportunities and strives to be an equal opportunities employer. Building upon this, the College established an Equality, Diversity and Inclusion (EDI) working group in 2020-21 to develop a strategy for improving EDI within the College. During the 2021-22 academic year, the Working Group evolved its approach from one that was principally about listening to, and learning from, others, to one more focussed on actions that the College could implement, and developed an EDI Policy Framework document, adopted by Council on 30 June 2022, that establishes the College's values and commitments in relation to EDI and modalities for their implementation.

The 2022-23 phase of work will focus on the implementation and monitoring of the EDI Policy Framework, requiring a more detailed analysis of EDI norms and principles, with a particular emphasis on ensuring alignment with Codes applicable to a charitable organisation.

To support the development and implementation of the Policy Framework, and to underline the College's commitment to EDI issues, the Council has agreed in principle that the EDI Working Group will be reconstituted as a Council Committee from the start of Lent Term 2023. During the 2022-23 academic year the Group will make recommendations on its terms of reference and potential membership before a final decision is taken on its establishment as a Council Committee.

2.9. Gender equality

Women undergraduates were first admitted to the College in 1976 and for the past two years women have comprised 54% of undergraduate admissions; 45% of postgraduate admissions are women, and 2% of postgraduate admissions either identified as 'other' or whose gender identification is unknown to the College.

Women comprised 40% (11 male and 5 female Fellows, 1 male and 3 female students) of the Trustees of the College in 2021-22, up from 35% (11 male and 5 female Fellows, 2 male and 2 female students) at the start of 2020-21. The College appointed its first female Master in 1999, the first of the formerly all-male Cambridge Colleges to appoint a female Master. Women currently hold many positions of responsibility within the College, including Admissions Director, Bursar, College Registrar, Development Director, Domestic Bursar and numerous Heads of College Departments.

3. Review of financial performance

With the ending of the majority of COVID-19 restrictions in the summer of 2021, the College started to build back operations with conference activity resuming and students in residence for the full academic year. However, the financial impact of the pandemic has continued with a continued depression in income from commercial rents and dividends, and much lower conference activity than pre-pandemic levels.

Net assets this year decreased by £2.6 million from £133.6 million to £131.0 million. Income was still substantially lower than normal due to reduced conference income, significantly reduced rental income from commercial properties and lower dividend income from the College equity investments. The College remains committed to its principles for financial recovery to ensure that the focus of the financial management of the College is directed to its core purposes and activities, with a continued emphasis on controlling costs, generating income and rebuilding free reserves. This focus is increasingly important with the current significant inflationary pressures on costs and downwards pressures on commercial rental income, requiring greater emphasis on generating income from Conference activity and fundraising.

Two of the largest movements in the balance sheet are the decrease in the market value of the shares held by the College, slightly offset by combined movements in the two pension schemes that the College participates in.

The market value of the shares fell by £3.9 million from June 2021 to June 2022.

The USS pension provision has increased by £1.8 million to £3.0 million following the completion of the 2020 actuarial valuation, and a new deficit recovery plan having been agreed. However, this has been partially offset by a reduction in the provision for the Sidney Sussex 1975 Pension Scheme of £2.4 million to £0.2 million due to the increase in the discount rate used to value the liabilities from 1.85% pa to 3.80% pa, which acts to reduce significantly the value placed on the Scheme's liabilities.

The College's commercial property portfolio was revalued by the College's property managers, Cheffins Commercial, in June 2022 which resulted in a small increase in the valuation from £15.0 million to £15.3 million. This followed a decrease in value of £7.6 million over the previous two years. The valuation was undertaken on the basis of market value.

At the end of the 2020-21 financial year, the College secured a second long term debt issue by way of a private placement of £10.0 million from the Pensions Insurance Corporation (a loan of £8.5 million was secured in the 2019-20 financial year). The funds were received in June 2021 with a maturity date of 12 May 2066. The College's objective in securing the debt was to take advantage of the low interest rates at the time and gear the balance sheet to generate future unrestricted income for the College. The loan has created a short term cash reserve, which has alleviated the risk of liquidity issues arising from the drastic and prolonged reduction in income as a result of the COVID-19 pandemic. During the course of 2021-22 the cash from these debts has continued to be invested into BlackRock passive tracker funds on a monthly basis.

The Statement of Comprehensive Income and Expenditure (SOCIE) shows an operating deficit (before other gains and losses) of £2.197 million for the year, compared with an operating surplus of £1.322 million in 2020-21. The 2021-22 figures were significantly impacted by the increase in the provision required against the USS pension scheme of £1.8 million.

Other gains and losses in the year show a loss on investments of £2.7 million compared with a gain of £7.4 million in 2020-21. This year's loss is predominantly due to the decrease of £3.9 million in value of the equity investments offset by the £0.3 million increase in the commercial property valuation and a gain of £0.9 million arising from the earlier than expected receipts from the sale of Darwin Green land in July 2022.

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3.1. Income

The College had total income of £10.209 million in the year, an increase of £0.570 million (6%) from the £9.639 million for 2020-21.

	<u>2021-22</u>	<u>2020-21</u>	<u>Variance</u>
	£m	£m	£m
Student fees	2.850	2.762	0.088
Accommodation and catering charges to members	2.868	1.872	0.996
Conference and hospitality	0.623	0.037	0.586
Investment income	2.588	2.177	0.411
Donations and Endowments	1.215	2.362	(1.147)
Other	0.065	0.429	(0.364)
Total	10.209	9.639	0.570

Income from academic fees and charges increased by £0.088 million (3%) because of higher postgraduate student numbers in 2021-22 than in 2020-21 (20 additional FTE students). Postgraduate per capita fee has also increased from £4,069 to £4,475 per FTE student.

Income from residences, catering and conferences increased by a total of £1.582 million (83%) in the year. As the restrictions from the pandemic have eased, students have been able to have the full academic year in residence and there has also been an increase in student vacation rent income. This has driven an increase in catering income from students. With almost no conference and hospitality business in the previous year, income from non-members increased to £0.623 million. This is still significantly short of the £1.379 million achieved in 2018-19 before the COVID-19 pandemic.

Overall there was a £0.411 million (19%) increase in investment and endowment income, comprising an increase in equity and interest income across the year of £0.218 million, and an increase in income of £0.193 million in commercial rental income. The increase in equity income was due to the increase value of the investments with cash from the long-term debt having been invested over the course of the year. A significant number of rent reductions and rent waivers have been provided to the Commercial tenants, and, although the College has recognised all the commercial rental income that was invoiced to the tenants, there is still a significant doubtful debt provision as a number continue to have financial difficulties as businesses deal with the impacts of the pandemic and the current economic situation. The commercial rental income of £0.943 million in this financial year is still significantly less than the £1.381 million achieved in 2019-20 before the effects of the COVID-19 pandemic were felt.

Following a very strong year in 2020-21 for donations and legacies, Donations and Endowments income has decreased by £1.147 million (49%) to £1.215 million. This is in part due to change of team and a challenging recruitment market, and significant yearly pledges came to an end in the previous financial year. The College is extremely grateful for the donations and benefactions it receives as they enable the College to continue to provide high quality personalised teaching and do things it could not otherwise do to deliver its charitable purpose, particularly in such financially challenging times.

Other income has decreased by £0.364 million from £0.429 million last year to £0.065 million this year. This large drop is due to the ending of the HMRC furlough scheme at the beginning of the financial year. This brings the value of other income back to normal pre-COVID-19 levels.

Academic fees cover only 56% of the cost of providing education, and this year the College ran a deficit of £2.2 million on education. The College is reliant on income from conferences, commercial property and dividends from investments, as well as donations, to fund the education deficit. As such, the reduction in income from conferences, commercial rent and dividend income due to the COVID-19 pandemic has meant that the College has been, and continues to be, even more exposed to the deficit on education.

Trustees remain committed to continue with the work started at the end of 2019-20 to reduce the short and medium term impacts on the College finances.

3.2. Expenditure

In 2021-22 expenditure increased from the previous year by £4.089 million (49%) to £12.406 million. The 2021-22 expenditure included an adjustment of £1.747 million due to the USS provision increase; excluding this, underlying costs therefore increased by £2.342 million (28%).

The increases in costs came from a variety of areas and were, in part, a result of full occupancy of the students in College during the academic year, and also increased conference activity. Expenditure on maintenance and major projects resumed to pre-pandemic levels and inflationary pressures on utility prices and food costs also started to impact the College's expenditure significantly.

3.3. Investments

The College's investments increased in value by £8.117 million to £92.271 million and generated £2.588 million income during the year; a combination of equity returns and rent from commercial properties. This movement in the value of investments includes the additional investment throughout the year of £12.413 million of new funds to be invested for future College income. These funds came from the debt issue raised in June 2021 and receipts from the Darwin Green land.

Broadly the College has four categories of investments:

- 1) Securities portfolio (amalgamated fund) which is managed for long term total return.
- 2) Commercial property which comprises retail units that are integral to the College site, or student accommodation blocks. The College is unlikely to be able to sell any of this property, so it is managed for income over the long term.
- 3) Other investments, which have been donated to the College. The College aims to reduce any direct holdings and convert investments into the equity portfolio.
- 4) Cash

The proportions held in each category change over time as a result of investment performance and operational need.

Movements in Investment Asset Allocation	June 2021 £ million	June 2022 £ million	Movement £ million
Charities UK Equity Index Fund (BlackRock)	35.41	18.94	(16.47)
iShares Developed World Index Fund (BlackRock)	21.09	0.00	(21.09)
iShares Developed World Fossil Fuel Screened Equity Index Fund (BlackRock)	7.08	52.82	45.74
Cash held pending transactions (BlackRock)	0.11	0.00	(0.11)
Charities Property Fund (Savilles)	2.47	2.93	0.46
Sub-total: Amalgamated Fund	66.16	74.68	8.53
Commercial Property	15.02	15.28	0.26
Other Investments	2.27	1.63	(0.64)
Cash held for funds	0.71	0.68	(0.03)
Total	84.15	92.27	8.12

The Amalgamated Fund, in which the College's Special Trust Funds and Designated Funds are held, is a securities portfolio which predominantly comprises passive tracker funds managed by BlackRock; specifically in the Charity UK Index Fund and the iShares Developed World Fossil Fuel Screened Fund. There are also investments in the Charities Property Fund.

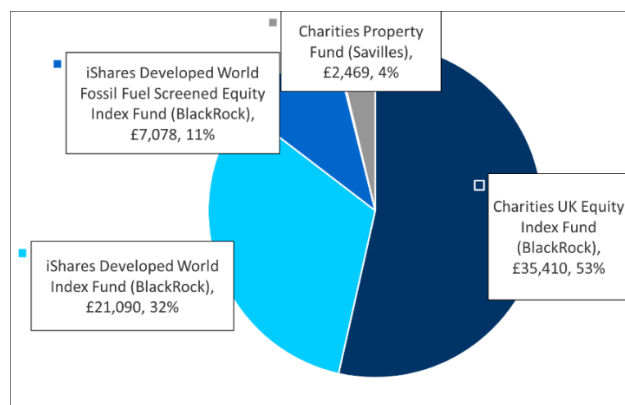
The target asset allocations agreed by the Investment Committee in November 2021 for investments within the College's passive tracker funds are as follows:

UK – BlackRock Charities UK Equity Index Fund	20%
World – iShares Developed World Fossil Fuel Screened Index Fund	80%

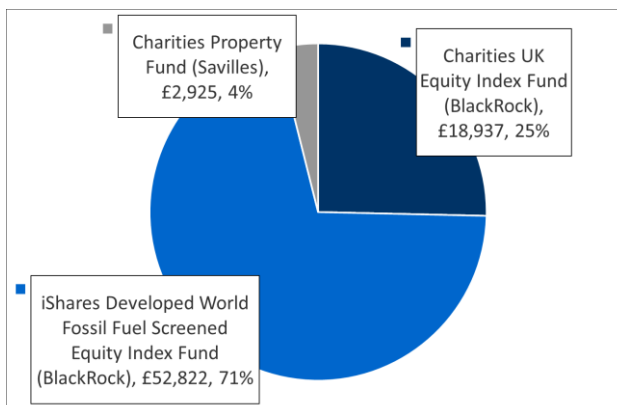
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The College has been moving towards this revised allocation in a phased approach over time, as is illustrated in the two pie charts below:

June 2021



June 2022



Given the large falls in global market values in the year to June 2022, the total investment returns for the passive tracker funds are less than CPI over the last year, and the last three years.

Period	Portfolio (%)	CPI (%)	Portfolio net of CPI (%)
1 Year	-3.32	9.48	-12.79
3 Years (Ann.)	3.43	4.13	-0.69
5 Years (Ann.)	4.54	3.36	1.18

Source: BlackRock, data as at 30 June 2022

The College Statutes, approved in 2018, confer power for implementation of Total Return Accounting. During 2021-22 the College reviewed proposals to move to Total Return Accounting and approved implementation from 1 July 2022. In order to 'smooth' the effects of short-term volatility in asset values, the income spending rule will be based on a three-year rolling average of the quarter-end unit values of the Amalgamated Fund. To provide budget certainty and an opportunity to react to unanticipated changes in market conditions, the rolling average will be lagged by two quarters. As an example, the expenditure in the year 2022-23 will be based on the twelve quarter-end unit values from quarter ended 31 March 2019 to quarter ended 31 December 2021. It has been agreed that the Total Return draw down will be set at the level of 3.2% of the weighted average unit value of the Amalgamated Fund.

The College adheres to the Charity Commission guidance on ethical investments as a minimum standard but will take additional action on ESG considerations whenever it is possible and effective to do so within the College's fiduciary responsibilities. The College's current holdings are concentrated in publicly listed companies through passive market tracker funds. Where the College sees that within its fiduciary responsibilities it can contribute to changes in public discourse, it will exclude particular companies or sectors from its portfolio for ESG considerations. The College aims to appoint investment managers with ambitious shareholder engagement goals and methods, including those that combine divestment and engagement to good effect. The College's default position will be to expect managers to vote in favour of ESG shareholder resolutions.

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3.4 Reserves

The College Reserves Policy ensures that the College has sufficient financial resources to continue, but also constrains the extent to which reserves are built up from operating surpluses to help maintain inter-generational equity and balance the needs of current and future students.

The College's target for free reserves is set out below:

Reserve	Target Free Reserves	Rationale
Strategic initiative reserve	£2.5 million	To fund strategic initiatives such as investment in property and facilities for members of College – equivalent to approximately 5% of fixed assets.
Contingency Income and Expenditure	£2.5 million	Contingency to cover extreme/unexpected expenditure or cover shortfall in income – equivalent to approximately 25% of turnover.
Total	£5.0 million	

Available free reserves represent unrestricted general funds of the College. The calculation involves analysis of the composition of the total reserves shown in the Balance Sheet. In line with the Charity Commission definition, the College excludes the following categories in its calculation of free reserves: restricted reserves (comprising special trust funds, restricted capital grants and permanent restricted endowment); illiquid investments (which includes the College's commercial rental properties since they are integrated with student accommodation blocks), and fixed and heritage assets. Additionally, the College excludes designated funds from the free reserves calculation as these are funds for which Council has designated a particular purpose which is generally driven by preferences expressed by donors and hence these funds are not normally available for general expenditure.

Set out below is a table showing the historical trend in free reserves:

£ million	June 2018	June 2019	June 2020	June 2021*	June 2022
Total reserves	133.3	131.7	123.3	131.3	131.0
Less: Restricted reserves	(34.1)	(34.5)	(31.9)	(32.1)	(30.3)
Less: Fixed/heritage assets	(49.6)	(53.0)	(57.0)	(60.1)	(59.3)
Less: Illiquid investments	(30.2)	(28.9)	(21.4)	(18.9)	(18.6)
Sub-total: Free Reserves including Designated Funds	19.4	15.3	13.0	22.5	22.7
Less: Designated funds	(14.4)	(15.1)	(17.5)	(21.2)	(21.8)
Available Free Reserves	5.0	0.1	(4.5)	(1.0)	1.0

**Note that for June 2021 figures, Free Reserves are stated after the Post Balance Sheet Event in which the impact of a new deficit recovery plan agreed for the USS pension scheme was included with an increase in the provision of £2.3 million for the obligation to fund the deficit. Before this adjustment, the Free Reserves were £1.3 million.*

As at 30 June 2022, the College's free reserves were £1.0 million compared with target reserves of £5.0 million. The increase from June 2021 (after the Post Balance Sheet Event) to June 2022 reflects the overall decrease in the pension provisions as the Sidney Sussex Pension Scheme provision decreased by £2.4 million and USS provision was £0.6 million lower than the June 2021 figure.

The College is focusing on maximising income and donations, reducing costs, effective use of restricted income from Special Trust Funds and Designated Funds, and investing in the Sidney Sussex Permanent Fund in order to recover from the impacts of the kitchen project and COVID-19, as well as the current spike in inflation, and rebuild its free reserves to the target level of £5 million. This is one of the key principles for financial recovery as approved by Council.

3.5 Pension funds

The College participates in two pension schemes, the Sidney Sussex 1975 Pension Scheme and the Universities Superannuation Scheme (USS). The College Pension Scheme has been closed to new members since 2004 and at the June 2022 year-end has only four active members accruing benefits. All other College members on the payroll are auto-enrolled in the USS Scheme (subject to meeting the eligibility criteria) unless they choose to opt out.

The Sidney Sussex 1975 Pension Scheme deficit decreased during the year from £2.642 million to £0.227 million due to the increase in the discount rate used to value the liabilities from 1.85% pa to 3.80% pa, which acts to reduce significantly the value placed on the Scheme's liabilities.

The USS deficit funding provision increased from £1.284 million to £3.042 million, following the completion of the 2020 actuarial valuation, and a new deficit recovery plan having been agreed.

Both pension funds underwent a triennial valuation in 2020. A valuation establishes whether, at a certain date, the scheme trustees believe the pension scheme will have enough money to be able to pay the pensions that the scheme's members are expecting, now and long into the future. Given the timing of the global COVID-19 pandemic, both valuations, particularly USS, were impacted by the financial uncertainty in the markets at the valuation date.

The July 2020 valuation for the Sidney Sussex 1975 Pension Scheme was completed in March 2021. The deficit reduction contributions were maintained at the existing level of £294,000 per annum whilst the period of the deficit recovery plan was reduced to seven years.

The 'snapshot' date for USS 2020 valuation was 31 March 2020. There has been no further update to the valuation in the intervening period. Further increases in employer and employee contributions came into effect from 1 October 2021 for the USS scheme.

4. Principal risks and uncertainties

Members of the Council, as Trustees of the College have ultimate responsibility for ensuring risk is managed satisfactorily within College. The Council reviewed the arrangements for managing risk in 2018-19 and revised the process, with implementation in 2019-20, and further embedding of the process in 2020-21.

The principal risks the College must continuously 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.

There are always uncertainties regarding the future external environment within which the College will operate, most notably regarding higher education policy and funding.

All the College's principal risks were heightened by the emergence of COVID-19 in 2020 and its continuing impact throughout 2021. The residual score for Financial Management, the principal risk in 2021-21, has since lowered, but other risks, primarily related to the longer-term effects of the pandemic, have increased.

Summary table of Sidney Sussex College risks in 2022

Risk	Raw risk score 2022	Residual risk score 2022	Residual score movement from 2021
Student welfare	20	16	↑
Assistant staff	20	16	↑
Information Technology	18	15	↑
Student academic and personal development	20	12	↑
Academic staff	16	12	=
Student admissions	16	12	=
Communications	15	12	=
Financial Management	15	12	↓
Donation and legacy income	12	9	=
Estates and facilities	12	9	=
Health and Safety	12	8	↓
Governance	6	4	↓
University and inter-collegiate relations	6	4	=

The principal risks at 30 June 2022

As indicated in the table above, the principal risks and uncertainties that the College faces relate to student academic and personal development, student welfare and assistant staff, all of which show the continuing repercussions of the pandemic. Risk relating to Information Technology has also increased. The mitigation enacted to reduce the Financial Management risk identified in 2020 and 2021 has reduced its residual risk score, though it will continue to be monitored closely and managed, particularly in the light of the steep rise in energy costs and inflation.

The descriptions of the principal risks and key mitigating actions agreed to manage them in 2021-22, are summarised below:

Student Welfare

This risk relates to failures of student welfare and/or pastoral support leading to mental health, safeguarding or pecuniary issues for students. The risk can crystallise through situations as varied as overseas students being unable to self-fund due to changes in family circumstances, and of student(s) reporting incidents of sexual misconduct.

In mitigation, a Head of Student Wellbeing post was introduced to develop opportunities to promote student wellbeing and to identify mental health needs within the student population, design effective responses to those needs, build consensus for innovation and reform in the promotion of wellbeing and support for mental health, and manage and embed the resulting changes. The Head of Student Wellbeing will identify key success factors for the support of students, and design and implement a framework for the College's wellbeing strategy, which can be used to measure effectiveness of the post, including in mitigation of this risk.

Additional safeguarding training for student-facing staff has been led by the College's HR team, alongside broader safeguarding awareness-raising initiatives and policies, to ensure that staff are alert to issues affecting students' mental health, including financial hardship leading to exclusion from co- and extra-curricular activities, harassment and sexual misconduct, lack of social inclusiveness, and adjustments required for students with physical disabilities.

There has been a thorough review of College support for the new Foundation Year students. Undergraduate Freshers' Induction includes workshops on Developing Consent and on Unconscious Bias, and Social Media Guidelines are being developed. All students have access to information and education programmes such as Active By-Stander Training, Goodlad Initiative and Breaking the Silence. College rules and processes dealing with harassment and sexual misconduct are being reviewed to ensure consistency with, and ease of access to, the improved University processes. From the start of the 2022-23 academic year, Undergraduate Freshers will be offered a Preparation Week ahead of the start of term, a new initiative to assist with the transition to College life.

Assistant Staff

This risk is a failure to attract and retain appropriately skilled and capable staff needed to meet the on-going requirements of the College, and failure by the College to execute contractual obligations as an employer, to follow best HR practice, or to provide a safe and fair working environment. It would crystallise by an inability to recruit suitable candidates to advertised roles, leading to vacancies having to be re-advertised, particularly in Catering, Accommodation and Development, and to having to scale back College services due to understaffing. There have been significant issues in recruitment throughout 2021-22 with a number of posts needing to be readvertised, and in some cases remaining unfilled.

In mitigation, the College is reviewing all HR policies and procedures and implementing an ongoing process for regular review to ensure it remains aligned with current best practice. Pay reviews and organisational structures have been reviewed. A job evaluation exercise will be undertaken to compare the market rate, and social media will be used to broaden the reach of recruitment advertising campaigns. Job descriptions will be reviewed annually within the Professional Development Review (PDR) process, and a training programme will be developed to increase opportunities to build awareness of leader/manager responsibilities.

Information Technology

The risk is the potential for the loss or corruption of data, or loss of access to IT services. The crystallisation is the loss of knowledge and experience through recent high turnover of staff in the IT Team, leading to increased support times as new staff members learn Sidney systems. Risks also relate to continued use of legacy systems which are outdated and unsupported, and to users storing personal data on non-managed devices. External risks relate to global supply chain issues continuing to delay delivery of replacement hardware and the heightened potential for cyberattacks from Russia due to the war in Ukraine.

Mitigation measures include a new Cyber-incident Response Plan and Incident Management Policy, and updates to the Disaster Recovery runbook, and improvements to logging and reporting of issues and review of relevant policies. An IT Assistant post has been increased to a full time post to increase capacity within the IT Team. High-risk users will be spoken to directly and trained on access to Company Portal on portable devices, with the warning that remote access will be revoked in the event of non-compliance.

Other key risks

In addition to the principal risks described in detail, the table shows that the College identified five additional risks which in 2022 were also assessed as having a red 'raw' risk rating, but which have been ranked amber, and hence lower than the financial risk, in terms of 'residual' risk. This is largely due to the anticipated and cumulative effects of the mitigation being applied. These five risks are summarised in the table below in order of residual risk score (highest to lowest).

Risk	Risk description and incidences of crystallisation	Mitigating action in 2021-22
Student Academic and Personal Development ('raw' risk of 20)	This risk constitutes potential failure by the College to enable students to flourish academically and personally. The risk was heightened with the emergence of COVID-19 and the need for remote learning for significant periods and aspects of the learning experience throughout 2020 and 2021. Crystallisation of the risk has been seen in the continuing number of student allowances and intermissions and a third-party event being opposed by students because of views of the external organisation.	In addition to the key controls in place to manage this risk, the following additional actions have been pursued: the appointment of a Head of Student Wellbeing, advance budgeting of extra- and co-curricular student support with disbursements monitored by the Student Finance Officer, and consideration of how better to promote students' academic, co- and super-curricular achievements.

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Risk	Risk description and incidences of crystallisation	Mitigating action in 2021-22
Academic Staff ('raw' risk of 16)	This risk constitutes potential failure to attract and retain high quality academic staff to deliver the College's teaching needs and to contribute to good college governance through engaged membership with Council, Governing body and their committees; as well as the College's ability to provide an attractive interdisciplinary scholarly community. Crystallisation of the risk has been seen in the lack of recent recruitments through the UTO scheme, and in individual Fellows requesting reduction in their teaching commitment.	In addition to some of the key controls to mitigate this risk, including regular review of teaching needs and UTO scheme opportunities, clear expectations and monitoring of contributions/stint of both CTOs and UTO Fellows, and flexibility in appointment terms, specific additional action in 2021-22 included a mandate for the EDI Working Group to explore measures to ensure equality, diversity and inclusion in the Fellowship (and staff), and future plans for systematic exploration of the scope for recruiting non-Teaching Officers embedded in individual University Faculties, Departments and University-affiliated research centres. Council is considering proposed changes to the terms and conditions of CTOs' employment and the role of CTOs in delivering the College's teaching and direction of studies.
Student admissions ('raw' risk of 16)	This risk constitutes potential deviations of actual admissions from target numbers, failure to identify candidates with best potential, failure to widen participation, failure to fulfil the University's Access Participation Plan obligations, and failure to comply with due process.	In addition to the key controls in place to manage this risk which include a transparent admissions process, University trained interviewers, and an outreach programme, the following additional actions were pursued in 2021-22: an innovative and engaging outreach programme including school visits and hosted residential events, with the first offer-holders and families open day held in Easter Term 2022, and College participation in the Foundation Year Programme.
Financial Management ('raw' risk of 15)	This risk constitutes potential risks to income, expenditure or investment performance as a result of external factors and/or ineffective financial management.	In addition to the existing controls in place to manage this risk through experienced, professionally qualified staff and guidance and control from the Finance and Needs, Investment and Audit Committees, and external auditors, and regular reviews of service support and the financial stability of the College's suppliers, the College has reviewed its Investment Manager and strategic asset allocation for the Sidney Sussex Pension Scheme and for passive funds held with BlackRock, introduced Total Return calculation, and reviewed the conferencing forecast and plans as the pandemic recedes. Planned work includes an exit strategy for the Sidney Sussex 1975 Pension Scheme (subject to market conditions) and improvement of financial management skills for non-financial managers, including development of a Financial Procedures Manual.

Risk	Risk description and incidences of crystallisation	Mitigating action in 2021-22
Communications ('raw' risk of 15)	This risk constitutes the potential for the College's communications activities to lead to damaging publicity, or the provision of inadequate or inaccurate information which impacts the College's reputation. Crystallisation of the risk was demonstrated by press attention to an inappropriate message made by a current student on a WhatsApp group for offer holders, and a Varsity journalist contacting the College regarding a complaint from a student with accessibility needs about the way the College handles requests from disabled students.	In addition to the existing controls in place to manage this risk, which includes a communications officer to manage day to day communications and a communications steering group to review communications data and to advise on policy decisions, it was decided that in 2020-21, a comprehensive review of the governance and accountability for communications across the College would be initiated. This work continued during the 2021-22 academic year but has been delayed by the recruitment of a new Communications Officer. A Communications Internship has been established to support communications activity while recruitment is underway. A crisis reputational management workshop was held in July 2022, attended by Principal Officers, the Admissions Director, College Registrar, Development Director, Domestic Bursar and the Communications and Web Officer.

5. Plans for future periods:

The College is a permanent institution and an important constituent of the collegiate University of Cambridge. The charitable purpose is that the College is to be a place of education, religion, learning and research, and it aims to promote academic excellence and freedom of thought and belief.

College plans for the short and medium term include:

- providing appropriate student support following the pandemic and ensuring the College educational provision fully returns to in-person delivery in terms of teaching, pastoral care and tutorial services;
- rebuilding the College community and the workforce in the aftermath of the COVID-19 pandemic and the resulting high turnover in staff;
- finalising and implementing the College's wellbeing strategy, delivering improvements in pastoral care and onboarding of students;
- continued review of the College's admissions strategy in the light of the University's Access and Participation Plan (APP), the wider Admissions Review initiated by the University which reported in 2021;
- participation in the University-wide Foundation Year Programme, the first year intake of which will be in 2022-23;
- review and implementation of recommendations for the structure and remuneration of teaching provision within the College;
- ongoing review and implementation of plans to recover from financial losses resulting from COVID-19 and the current spike in inflation; that is to return to break-even on surplus/deficit before major works and donations, and take appropriate measures to rebuild free reserves to meet the target level of £5 million;

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- capitalising on the opportunities that the new basement kitchen, servery and dining hall, afford the College in terms of enhanced student dining, conference and alumni events;
- rebuilding conferencing income;
- building upon the work carried out by the newly established Equality, Diversity and Inclusion (EDI) working group to implement the College's recently adopted EDI Policy Framework and to embed this work in a new College committee as a successor to the Working Group;
- developing, funding and implementing an environmental sustainability strategy for the College;
- developing a medium/long term estates refurbishment and maintenance plan;
- recruitment and election of a new Master to succeed the current Master when his term ends in 2023;
- independent review of the performance of the College against the Charity Commission's Code of Governance and implementation of recommendations.

Approved at the meeting of the Council on 9 November 2022



Professor R Penty
Master

CORPORATE GOVERNANCE

In February 2018 a revised set of Statutes for the College were approved by the Privy Council. The College is governed, under these Statutes, by two principal bodies:

- **The Governing Body:** comprises the Master, all Fellows in Class 1 (teaching), Class 2 (research) or Class 3 (administrative), and four elected students representing the junior members of the College. The Governing Body meets 6 to 8 times a year. It elects the College Council and supervises its work. In addition, it has the authority to make or amend the Statutes and Ordinances of the College and to resolve issues concerning their interpretation; to authorise any substantial alterations or additions to the College buildings or grounds; to hold the annual Audit Meeting; to elect and decide on the remuneration of the Master (subject to the Remuneration and Benefits Committee); and to elect the Vice-Master.
- **The College Council:** comprises the Master, three Fellows ex officio (the Vice-Master, Bursar and Senior Tutor), nine to twelve Fellows elected for three-year terms by the Annual Meeting of the Governing Body, and four junior members, three of whom are elected ex officio and one directly. The Council usually meets 9 times a year and deals with all matters of College administration not reserved to the Governing Body. The members of the College Council are the Charity Trustees of the College.

The Governing Body and the College Council are served by sub-committees of which the principal ones as set out in the Statutes and Ordinances are Audit Committee, Education and Pastoral Care Committee, Finance and Needs Committee, Investment Committee, Remuneration and Benefits Committee and Statutes and Ordinances Committee. The Audit, Investment and Remuneration and Benefits Committees contain members who are external to the College.

The **Finance and Needs Committee** is a standing committee of the Council, appointed annually, normally at the Annual Council Meeting. The Committee has the responsibility for the financial affairs of the College, including in the long-term, and for all aspects of financial policy, which includes priorities and resources for teaching needs identified by the Education and Pastoral Care Committee, financial strategy and policy, financial planning and resource management, including human resources, College accounts and suitable procedures for financial and other control. The Committee also acts as a remuneration and benefits committee for assistant staff, setting annual policy and pay bands.

The **Audit Committee** is a standing committee of the Governing Body, appointed annually, normally at the Annual Meeting. The Committee has the authority to seek out information and investigate any matter within its remit. Any member of the Committee, and any authorised agent of the Committee, may inspect the financial records of the College. The Committee scrutinises accounting policy and practice, alongside the internal systems of financial and other control set by the Finance and Needs Committee. It also sets policy and oversees procedures for risk assessment and risk management. It is its duty to manage the annual external audit of the College accounts and it has general oversight of the effectiveness of College governance, with authority to raise any matter of concern with the Governing Body.

The **Investment Committee** is a standing committee of the Council, also appointed annually. Within the terms of policies set by the Council and subject to any specific directions from the Council, the Committee manages cash, including the investment or realisation of operational cash, stocks and shares and other financial instruments, investment funds and land or any interests in land held by the College for investment purposes.

The **Remuneration and Benefits Committee** is a standing committee of the Governing Body. The Committee acts as an independent advisory body with power to set limits on the level of remuneration and other direct and indirect benefits (including the receipt of any salary, stipend, allowance, fund or facility, or any other benefit of a measurable value) of the Master, Fellows and Officers of the College, including the Trustees.

The **Education and Pastoral Care Committee** is a standing committee of the Council. The Committee has general superintendence of educational policy and provision in the College, keeping all aspects under review. In particular it monitors relevant University policies and general public policies on educational matters, considers proposals and makes recommendations on undergraduate and graduate admissions policy and practice, makes annual assessments of teaching needs and resources, and identifies any appropriate changes to teaching provision or admissions practice, including the addition or loss of teaching staff. The Committee

takes steps to maintain the quality of College teaching and its cost-effectiveness, and for that purpose takes due account of feedback from students, both through formal general consultation and in dialogue with students' representatives. It reports annually to the Council on the academic performance of undergraduate and postgraduate students and proposes measures which may help sustain and improve that performance including, through the appropriate channels (in particular the Graduate Tutors' Committee and Education Sub-Committee of the Senior Tutors' Committee) any aspects of the University's educational provision for postgraduates which gives rise to concern.

The **Statutes and Ordinances Committee** is a standing committee of the Governing Body. The Committee provides advice on legal matters which arise, whether within the College or from advice or consultations initiated by bodies in the collegiate University or beyond. It keeps the Statutes and Ordinances of the College under review in the light of University policy and practice, the law of the land and best practice, and makes recommendations for changes to the instruments of governance, providing appropriate draft instruments to give effect to such recommendations.

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 risk based, so is designed to manage and mitigate, rather than eliminate, the risk of failure to achieve policies, aims and objectives.

The system of internal control is designed to identify the principal risks to the achievement of the College's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. The Council has responsibility for agreeing the risk assessment. Risk management is delegated to individual Committees and is overseen by the Audit Committee. The Audit Committee's and Council's review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Bursar, and College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The Audit Committee meets without officers being present and can carry out independent investigations of complaints and is a point of independent contact for the Auditors.

RESPONSIBILITIES OF THE COUNCIL

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).

The College's Statutes, and the Statutes and Ordinances of the University of Cambridge, require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the Council is required to:

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL

Opinion

We have audited the financial statements of Sidney Sussex College (the 'College') for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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

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

- The contribution due from the College to the University has been computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

Matters on which we are required to report by exception

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

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

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Council

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;

- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

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

**SIDNEY SUSSEX COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

Use of our report

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



PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 15 November 2022

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

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

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

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

Basis of accounting

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

Going Concern

Covid-19 has had a significant impact on the College's financial results as well as the uncertainties presented by the current macro-economic environment.

The College has undertaken detailed budgeting, forecasting and cash flow planning which is reviewed and monitored by the Finance and Needs Committee and Council. Forecasts have been prepared for the period to 2027 on a prudent basis and have considered the impact upon the College and its cash resources and unrestricted reserves. The College continues to review its cost base in order to combat the reduction in revenues and to extend financial headroom. The College also has significant investments which could be realised if required.

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

Consolidation of subsidiaries

Sidney Sussex College has two wholly owned subsidiaries, Sidney Sussex Limited and Sidney Sussex Hospitality Company. Sidney Sussex Limited is a dormant company and Sidney Sussex Hospitality Company Ltd has not been consolidated on the basis of materiality but has produced accounts that are available at Companies House.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

Grant income

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

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

Donations and endowments

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

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts. Restricted capital grants are released to general reserves upon completion of the capital project to which they relate.

Special Trust Funds are restricted funds that the College holds in trust. The College is not free to change the terms on which these funds were established, though, as a result of the new Statutes approved in February 2018, it does have relatively broad powers to use surplus income.

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

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

Designated Funds are funds that have been given without restriction, which the Council has decided to designate for a specific purpose. Often this reflects the preferences of the donor. The Council is free to make and amend the regulations for these funds.

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

Investment income and change in value of investment assets

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

All investment income is credited to the Statement of Comprehensive Income and Expenditure in the period in which it is earned. It is then transferred to an Accumulated Income Account, from which the Council declares an annual dividend. This dividend forms the income for the Trust Funds for the year. The scheme is designed to smooth out fluctuations in Trust Fund income.

Other income

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

Cambridge Bursary Scheme

In 2021-22, the Cambridge Bursaries given by the College to eligible students were made directly by the Student Loans Company (SLC). 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 College has shown the gross payment made to eligible students and a contribution from the University as Income under "Academic Fees and Charges".

The net payment of £137,066 is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£83,579
Expenditure	£220,645

Foreign currency translation

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

Fixed assets

Land and buildings

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

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

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

Fixed assets

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a 2% reducing balance basis.

Short Leasehold Buildings are depreciated over the life of the lease up to a maximum of 50 years.

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

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

The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings, and equipment costing less than £5,000 per individual item is written off in the year of acquisition unless the aggregate value of related items exceeds £25,000. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	2-25% reducing balance/straight line
Motor vehicles	20% straight line
Plant and equipment	15-25% reducing balance/straight line

Leased assets

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

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

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

Heritage assets

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 2000 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1 July 2000 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets

are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Securities are included in the balance sheet at fair value on 30 June each year, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost.

Investment properties are included at fair valuation and the aggregate surplus or deficit is transferred to Unrestricted Reserves. A formal valuation of the commercial property holdings was carried out by Cheffins, Chartered Surveyors, as at 30 June 2022.

Stocks

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

Provisions

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

Contingent liabilities and assets

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

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

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

Financial instruments

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

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

Financial assets

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

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

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

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

Financial liabilities

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

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

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

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

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

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

Taxation

The College is a registered charity (number 1137586) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

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

Contribution under Statute G, II

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The liability for the year is

as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension costs

Retirement benefits for employees, who started after 2 January 2004, and for the majority of Fellows are provided by the Universities Superannuation Scheme (USS). Benefits for participating employees who started before 1 January 2004 are provided by the College's own scheme, Sidney Sussex 1975 Pension Scheme, but this is now closed to new entrants.

Universities Superannuation Scheme

The College participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual 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 institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

Sidney Sussex College 1975 Pension Scheme

This is a defined benefit scheme which is externally funded and contracted out of the State Second Pension Scheme up to 31 March 2016. The funds are valued every three years by a professionally qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the scheme and is accounted for on the basis of charging the cost of providing pensions over the period during which the College benefits from the employees' and Fellows' services.

Employment benefits

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

Reserves

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

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

Critical accounting estimates and judgements

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

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

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

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

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

Investment property – Properties were revalued to their fair value at the reporting date by Cheffins Commercial. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. The revised valuation at 30 June 2022 was increased from £15.0 million to £15.3 million. Given the unknown future impact that COVID-19 might have on the real estate market, the valuation of the properties will be kept under frequent review.

Investments in Charities Property Fund – the College holds an investment in the Charities Property Fund Income Units which at the year-end was valued at £2.9 million.

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

College Officers are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements. 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 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2038. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on College Officers' estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 26.

SIDNEY SUSSEX COLLEGE
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FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Note	Unrestricted £000	Restricted £000	Endowment £000	2022 Total £000	Unrestricted £000	Restricted £000	Endowment £000	2021 Total £000
Income									
Academic fees and charges	1	2,850			2,850	2,762			2,762
Accommodation, catering and conferences	2	3,491			3,491	1,909			1,909
Investment income	3a	1,903	17	668	2,588	1,468	33	676	2,177
Endowment return transferred		258	410	(668)	0	261	415	(676)	0
Other income		65			65	429			429
Total income before donations and endowments		8,567	427	0	8,994	6,829	448	0	7,277
Donations	3b	1,144	11		1,155	1,569	155		1,724
New endowments	3b				0			2	2
Other capital grants for assets	3b		60		60		636		636
Total income from donations and endowments		1,144	71	0	1,215	1,569	791	2	2,362
Total income		9,711	498	0	10,209	8,398	1,239	2	9,639
Expenditure									
Education	4	(4,539)	(534)		(5,073)	(3,724)	(514)		(4,238)
Accommodation, catering and conferences	5	(5,076)	(1)		(5,077)	(3,586)	(2)		(3,588)
Other expenditure		(2,191)	(57)		(2,248)	(442)	(37)		(479)
Contribution under Statute G,II		(7)	0		(7)	(12)			(12)
Total expenditure	6	(11,813)	(592)		(12,405)	(7,764)	(553)	0	(8,317)
Surplus/(deficit) before other gains and losses		(2,102)	(94)	0	(2,196)	634	686	2	1,322
Gain/(loss) on disposal of fixed assets	8								0
Gain/(loss) on investments	9 & 11	(1,160)	(36)	(1,461)	(2,657)	2,969	116	4,401	7,486
Surplus/(deficit) for the year		(3,262)	(130)	(1,461)	(4,853)	3,603	802	4,403	8,808
Other comprehensive income									
Actuarial (loss) in respect of pension schemes	15	2,298			2,298	1,460			1,460
Total comprehensive income for the year		(964)	(130)	(1,461)	(2,555)	5,063	802	4,403	10,268

SIDNEY SUSSEX COLLEGE
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STATEMENT OF CHANGES IN RESERVES

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£000	£000	£000	£000	£000
Balance at 1 July 2021	65,253	1,822	30,167	36,236	133,568
Prior Year Adjustment: Change of Fund Classification	26	(26)			
Surplus/(Deficit) from income and expenditure statement	(3,262)	(130)	(1,461)		(4,853)
Other comprehensive income	2,298				2,298
Release of restricted capital funds spent in the year	60	(60)			0
Transfers to / from Reserves	1,360	78	(90)	(1,348)	0
Balance at 30 June 2022	65,735	1,685	28,615	34,977	131,012

	Income and expenditure reserve			Revaluation reserve	Total
	Unrestricted	Restricted	Endowment		
	£000	£000	£000	£000	£000
Balance at 1 July 2020	55,233	6,031	25,664	36,372	123,300
Surplus/(Deficit) from income and expenditure statement	3,603	802	4,403		8,808
Other comprehensive income	1,460				1,460
Release of restricted capital funds spent in the year	4,891	(4,891)			0
Transfers to / from Reserves	66	(120)	100	(46)	0
Balance at 30 June 2021	65,253	1,822	30,167	36,326	133,568

The notes on pages 44 to 58 form part of these accounts

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BALANCE SHEET

	Note	2022 £000	2021 £000
Non-current Assets			
Fixed assets	8	58,886	59,831
Heritage assets	8	434	234
Investments	9	92,272	84,154
Total non-current assets		151,592	144,219
Current assets			
Stocks	10	198	190
Trade and other receivables	11	2,647	3,003
Cash and cash equivalents	12	7,037	17,040
Total current assets		9,882	20,233
Creditors: amounts falling due within one year	13	(2,293)	(2,058)
Net current assets		7,589	18,175
Total Assets less current liabilities		159,181	162,394
Creditors: amounts falling due after more than one year	14	(24,900)	(24,900)
Provisions			
Pension provisions	15	(3,268)	(3,926)
Total net assets		131,012	133,568
Represented by:			
Restricted reserves			
Income and expenditure reserve – endowment reserve	16	28,615	30,166
Income and expenditure reserve – restricted reserve	17	1,685	1,822
		30,300	31,988
Unrestricted Reserves			
Income and expenditure reserve – unrestricted		65,735	65,254
Revaluation reserve		34,977	36,326
		100,712	101,580
Total Reserves		131,012	133,568

The financial statements were approved by the Master and Fellows on 9 November 2022 and signed on its behalf by:



Professor R Penty
Master



Ms S Bonnett
Bursar

The notes on pages 44 to 58 form part of these accounts

CASH FLOW STATEMENT

	Note	2022 £000	2021 £000
Net cash inflow from operating activities	18	(1,884)	(2,614)
Cash flows from investing activities	19	(7,559)	(3,282)
Cash flows from financing activities	20	(698)	9,526
Increase/(decrease) in cash and cash equivalents in the year		<u>(10,141)</u>	<u>3,630</u>
Cash and cash equivalents at beginning of the year		<u>17,861</u>	<u>14,231</u>
Cash and cash equivalents at end of the year	9 & 12	<u><u>7,720</u></u>	<u><u>17,861</u></u>

The notes on pages 44 to 58 form part of these accounts

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NOTES TO THE ACCOUNTS

1	Academic fees and charges	2022	2021
		£000	£000
	Colleges fees:		
	Fee income received at the Regulated Undergraduate rate	1,533	1,528
	Fee income received at the Unregulated Undergraduate rate	484	468
	Fee income received at the Graduate rate	749	601
	Other income	0	46
	Cambridge Bursaries Income	84	119
	Total	<u>2,850</u>	<u>2,762</u>
2	Income from accommodation, catering and conferences	2022	2021
		£000	£000
	Accommodation		
	College members	2,565	1,670
	Conferences	358	34
	Catering		
	College members	303	202
	Conferences	265	3
	Total	<u>3,491</u>	<u>1,909</u>
3	Endowment and investment income	2022	2021
		£000	£000
3a	Investments		
	Income from:		
	Land and buildings	943	750
	Quoted securities	1,596	1,385
	Other interest receivable	49	42
	Total	<u>2,588</u>	<u>2,177</u>
	Represented by:	2022	2021
		£000	£000
	Unrestricted Income	1,903	1,468
	Restricted Income	17	33
	Endowment income - Unrestricted Permanent	258	261
	Endowment income - Restricted Permanent	410	415
	Total	<u>2,588</u>	<u>2,177</u>
3b	Donations and Endowments	2022	2021
		£000	£000
	Unrestricted General Donations	489	352
	Unrestricted Designated Donations	655	1,217
	Restricted Donations	11	155
	New Endowments	0	2
	Other capital grants for assets	60	636
	Total	<u>1,215</u>	<u>2,362</u>

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4	Education expenditure	2022	2021
		£000	£000
	Teaching	2,051	1,869
	Tutorial	915	630
	Admissions	486	446
	Research	481	257
	Scholarships and awards	585	589
	Other educational facilities	555	447
	Total	5,073	4,238
5	Accommodation, catering and conferences expenditure	2022	2021
		£000	£000
	Accommodation	2,887	2,074
	Conferences	775	607
	Catering	888	670
	Conferences	527	237
	Total	5,077	3,588

6a Analysis of 2021-22 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	2,474	2,283	316	5,073
Accommodation, catering and conferences	2,227	2,094	756	5,077
Investment management costs	0	60	0	60
Other	188	223	37	448
USS Provision Adjustment	1,747	0	0	1,747
Totals	6,636	4,661	1,109	12,405

Expenditure includes fundraising costs of £214k.

6b Analysis of 2020-21 expenditure by activity

	Staff costs (note 7) £000	Other operating expenses £000	Depreciation £000	Total £000
Education	2,182	1,909	147	4,238
Accommodation, catering and conferences	2,071	1,165	352	3,588
Investment management costs	0	108	0	108
Other	179	187	17	383
USS Provision Adjustment	0	0	0	0
Totals	4,432	3,369	516	8,317

Expenditure includes fundraising costs of £224k.

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6c Auditors' remuneration		2022 £000	2021 £000
Other operating expenses include:			
Audit fees payable to the College's external auditors		21	21
Other fees payable to the College's external auditors		5	3
Total		<u>26</u>	<u>24</u>

7 Staff costs					
Consolidated	College Fellows £000	Other academic £000	Non- academic £000	2022 Total £000	2021 Total £000
Staff costs:					
Salaries	1,067	60	2,518	3,645	3,434
National Insurance	100	6	228	334	296
Pension costs	254	12	644	910	702
Sub-total	<u>1,421</u>	<u>78</u>	<u>3,390</u>	<u>4,889</u>	<u>4,432</u>
USS Provision Adjustment	<u>508</u>	<u>28</u>	<u>1,211</u>	<u>1,747</u>	<u>0</u>
Total	<u>1,929</u>	<u>106</u>	<u>4,601</u>	<u>6,636</u>	<u>4,432</u>

Average staff numbers	Average staff numbers 2022		Average staff numbers 2021	
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	59	-	61	-
Non-academic	9	84	9	91
Total	<u>68</u>	<u>84</u>	<u>70</u>	<u>91</u>

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

	2022 Total £000	2021 Total £000
£100,001 - £110,000	<u>0</u>	<u>0</u>
£110,001 - £120,000	<u>1</u>	<u>1</u>

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

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated emoluments paid to key management personnel. Key management personnel for the College include the Master, Vice Master, Bursar, Senior Tutor and Development Director. Aggregated emoluments consist of salary and taxable benefits including any employer's pension contribution.

	2022 Total £000	2021 Total £000
Key management personnel	<u>334</u>	<u>356</u>

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

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8 Fixed assets

	Freehold Land and buildings	Leasehold Land and buildings	Vehicle, Equipment and Furniture	Assets in construction	2022 Total	2021 Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At beginning of year	58,880	1,201	3,162	0	63,243	59,762
Additions			140	33	173	3,587
Transfers						0
Disposals			(15)		(15)	(106)
At end of year	58,880	1,201	3,287	33	63,401	63,243
Depreciation						
At beginning of year	(2,671)	(214)	(528)	0	(3,413)	(3,002)
Charge for the year	(899)	(27)	(176)	0	(1,102)	(480)
Eliminated on disposals						69
At end of year	(3,570)	(241)	(704)	0	(4,515)	(3,413)
Net book value						
At end of year	55,310	960	2,583	33	58,886	59,831
At beginning of year	56,209	987	2,634	0	59,831	56,760

The insured value of land and buildings as at 30 June 2022 was £166m (2021: £153m).

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 2000 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.

Amounts for the current and previous four years were as follows:

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Acquisitions purchased with specific donations					
Acquisitions purchased with College funds					
Total cost of acquisitions purchased					
Value of acquisitions by donation	200				
Total acquisitions capitalised	434	234	234	234	234

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9 Investments

	2022	2021
	£000	£000
Balance at beginning of year	84,154	76,797
Additions	51,785	7,872
Disposals	(39,913)	(3,254)
Depreciation		
Transfers out	(11)	(3)
Gain/(loss)	(3,606)	7,227
Increase/(decrease) in cash balances held at fund managers	(137)	(4,485)
Balance at end of year	<u>92,272</u>	<u>84,154</u>

Represented by:

Property	15,278	15,021
Property Held for Sale		
Quoted securities – equities	75,789	67,762
Fixed interest securities	0	0
Unquoted securities – equities	433	450
Cash on Short Term Deposit	683	821
Cash in hand and at investment managers	0	0
Other investments	89	100
	<u>92,272</u>	<u>84,154</u>

The College has two wholly owned subsidiaries. Sidney Sussex Limited, a dormant company and Sidney Sussex Hospitality Company, a conference business. All profits generated through Sidney Sussex Hospitality Company are covenanted back to the college.

10 Stocks and work in progress

	2022	2021
	£000	£000
Goods for resale	126	143
Other stocks	72	47
Total	<u>198</u>	<u>190</u>

11 Trade and other receivables

	2022	2021
	£000	£000
Members of the College	257	166
Other receivables	401	684
Prepayments and accrued income	332	637
Provision for bad debts etc	(187)	(251)
Assets Held for Sale (Due less than 1 year)	1,844	872
Assets Held for Sale (Due greater than 1 year)	0	895
Total	<u>2,647</u>	<u>3,003</u>

12 Cash and cash equivalents

	2022	2021
	£000	£000
Short-term money market investments	4,849	10,686
Current accounts	2,188	6,354
Total	<u>7,037</u>	<u>17,040</u>

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13 Creditors: amounts falling due within one year

	2022	2021
	£000	£000
Payments on account	208	131
Trade creditors	468	237
Taxation and Social Security	99	83
University fees	62	19
Contribution to Colleges Fund	7	12
Other creditors	396	321
Accruals and deferred income	1,053	1,255
Total	2,293	2,058

14 Creditors: amounts falling due after more than one year

	2022	2021
	£000	£000
College Bond (30 year) 4.40% interest rate- maturing October 2043	2,900	2,900
College Bond (30 year) 4.45% interest rate- maturing January 2044	1,200	1,200
College Bond (40 year) 4.40% interest rate- maturing October 2053	2,300	2,300
Pensions Insurance Corporation Private Placement 2.26% interest rate- maturing December 2063	8,500	8,500
Pensions Insurance Corporation Private Placement 2.24% interest rate- maturing May 2066	10,000	10,000
Total	24,900	24,900

During 2013-14, the college borrowed from institutional investors, collectively with other Colleges, the College's share being £6.4 million. The loans are unsecured and repayable during the period 2043-53 and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to net Assets, and has been in compliance with the covenant at all times since incurring the debt. In March 2020, the college secured a new long term loan for £8.5 million with the Pensions Insurance Corporation (PIC) with a maturity date of 12 December 2063 at a fixed interest rate of 2.26%. In June 2021, the college secured a further long term loan for £10 million with the Pensions Insurance Corporation (PIC) with a maturity date of 12 May 2066 at a fixed interest rate of 2.24%.

15 Pension provisions

	Sidney Sussex College 1975 Pension Scheme	USS	2022	2021
	£000	£000	Total £000	Total £000
Balance at beginning of year	2,642	1,284	3,926	5,685
Movement in year:				
Current service cost including life assurance	164	2,361	2,525	632
Contributions	(380)	(614)	(993)	(1,006)
Other finance (income)/cost	98	11	110	75
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(2,298)	0	(2,300)	(1,460)
Balance at end of year	226	3,042	3,268	3,926

See note 26 for further analysis

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16 Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	2022 Total £000	2021 Total £000
Balance at beginning of year				
Capital	18,476	11,690	30,166	25,664
New donations and endowments	0	0	0	2
Increase/(decrease) in market value of investments	(894)	(567)	(1,461)	4,400
Transfers to / from Reserves	(90)	0	(90)	100
Balance at end of year	17,492	11,123	28,615	30,166

Analysis by type of purpose

Fellowship Funds	8,945		8,945	9,434
Scholarship Funds	3,286		3,286	3,459
Prize Funds	174		174	183
Hardship Funds	259		259	272
Bursary Funds	226		226	238
Travel Grant Funds	222		222	233
Other Funds	4,380		4,380	4,656
General endowments	0	11,123	11,123	11,691
Total	17,492	11,123	28,615	30,166

Analysis by asset

Property				
Investments	17,492	11,121	28,613	30,164
Cash		2	2	2
Total	17,492	11,123	28,615	30,166

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17 Restricted Reserves

Reserves with restrictions are as follows:

	Capital grants unspent £000	Permanent unspent and other restricted income £000	Restricted expendable endowment £000	2022 Total £000	2021 Total £000
Balance at beginning of year					
Capital			844	844	773
Accumulated income		853	125	978	5,258
	0	853	969	1,822	6,031
Prior Year Adjustment: Change of Fund Classification			(26)	(26)	
New grants	60			60	636
New donations			11	11	155
Other investment income		410	17	427	447
Increase/(decrease) in market value of investments			(36)	(36)	116
Expenditure		(515)	(76)	(591)	(553)
Capital grants utilised	(60)			(60)	(4,891)
Transfers to / from Reserves		78		78	(120)
Balance at end of year	0	826	859	1,685	1,822
Comprising of:					
Capital			748	748	844
Accumulated income		826	111	937	978
		826	859	1,685	1,822
Fellowship Funds		296		296	320
Scholarship Funds		183		183	224
Prize Funds		7		7	7
Hardship Funds		45	1	46	43
Bursary Funds		55	629	684	745
Travel Grant Funds		32	84	116	123
Other Funds		208	145	353	359
Total		826	859	1,685	1,822
Analysis by asset					
Property					
Investments			1,004	1,004	1,003
Cash		826	(145)	681	820
Total		826	859	1,685	1,822

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

	2022	2021
	£000	£000
Surplus (deficit) for the year	(4,853)	8,808
Adjustment for non-cash items		
Depreciation	1,117	516
Loss/(gain) on disposal of fixed assets		
Loss/(gain) on investments	2,657	(7,487)
Decrease/(increase) in stocks	(8)	(27)
Decrease/(increase) in trade and other receivables	433	(675)
Increase/(decrease) in creditors	235	614
Pension costs less contributions payable	1,640	(299)
Adjustment for investing or financing activities		
Investment income	(2,588)	(2,177)
Interest payable	698	474
Donations and Legacies	(1,155)	(1,726)
Donations for Capital Grants	(60)	(636)
Net cash inflow/(outflow) from operating activities	(1,884)	(2,614)

19 Cash flows from investing activities

	2022	2021
	£000	£000
Current investment disposal	872	381
Non-current investment disposal	11	3
Investment income	2,588	2,177
Withdrawal of deposit	541	0
Payments made to acquire non-current fixed assets	(173)	(3,587)
Payments made to acquire non-current investment assets	(12,413)	(4,618)
Donations and Legacies (excluding Donations in Kind)	955	1,726
Donations for Capital Grants	60	636
Total cash flows from investing activities	(7,559)	(3,282)

20 Cash flows from financing activities

	2022	2021
	£000	£000
Interest paid	(698)	(474)
New secured loans	0	10,000
Repayments of amounts borrowed		
Total cash flows from financing activities	(698)	9,526

21 Analysis of cash and cash equivalents

	At beginning of year £000	Cash flows £000	At end of year £000
Cash at bank and in hand	17,861	(10,141)	7,720
Cash held at Fund Managers			
Net Funds	17,861	(10,141)	7,720

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22 Capital commitments

	2022	2021
	£000	£000
Capital commitments at 30 June 2022 are as follows:		
Authorised and contracted		
Authorised but not yet contracted for	29	112

23 Lease obligations

At 30 June 2022 the College had commitments under non-cancellable operating leases as follows:

	2022	2021
	£000	£000
Land and buildings:		
Expiring within one year	0	0
Expiring in over 5 years	1	1

24 Reconciliation and analysis of net debt

	At 1 July 2021	Cash Flows	At 30 June 2022
	£000	£000	£000
Cash and cash equivalents	17,861	(10,141))	(7,720)
Borrowings:			
Amounts falling due within one year			
Secured loans			
Unsecured loans			
Bank overdraft			
<i>subtotal</i>	0		
Borrowings:			
Amounts falling after more than one year			
Secured loans			
Unsecured loans	24,900	0	24,900
<i>subtotal</i>	24,900	0	24,900
Total	(7,039)	(10,141)	(17,180)

25 Financial Instruments

	2022	2021
	£000	£000
Financial assets		
<i>Financial assets at fair value through Statement of Comprehensive Income</i>		
Listed equity investments	75,789	67,762
Other equity investments	433	450
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Cash and cash equivalents	7,720	17,861
Other debtors	2,315	2,371
Financial liabilities		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft		
Loans	24,900	24,900
Trade creditors	468	237
Other creditors	772	566

26 Pension schemes

The College participates in two defined benefit schemes:

Universities Superannuation Scheme

The total cost charged to the profit and loss account is £2,371,989 (2020-21: £511,144). This includes £56,158 (2020-21: £52,080) outstanding contributions at the balance sheet date.

Deficit recovery contributions due within one year for the College are £211,072 (2020-21: £156,328)

As at the 30 June 2022, the latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%. The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

Universities Superannuation Scheme (Continued)

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 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

2020 Valuation

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount Rate	3.31%	0.87%
Pensionable salary growth	4.50%	1.50%

Sidney Sussex College 1975 Pension Scheme

The College operates a defined benefits plan, the Sidney Sussex College 1975 Pension Scheme.

The liabilities of the plan have been estimated for the purposes of FRS102 based on the results of the actuarial valuation as at 1 July 2020, adjusted for the different assumptions required under FRS102 and taking into consideration subsequent cash flows.

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

	2022 % pa	2021 % pa
Discount rate	3.80	1.85
Increase in salaries	2.90	3.00
RPI assumption	3.20	3.30
CPI assumption	2.40	2.50
Increases to deferred pensions in excess of the GMP	2.40	2.50
Increases to pensions in payment for service pre 6/4/97 in excess of GMP	2.90	3.00
Increases to pensions in payment for service from 6/4/97	3.10	3.20

Members are assumed to retire at the plan normal retirement age.

The underlying mortality assumption is based upon 100% of the rates in the standard table known as S3LPA 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. and no additional improvement (A=0%) (2021: same)

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Sidney Sussex College 1975 Pension Scheme (Continued)

The amounts recognised in the Balance Sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows:

	2022	2021
	£	£
Present value of defined benefit obligation	5,509,600	7,829,300
Fair value of plan assets	(5,283,600)	(5,188,100)
Net defined benefit liability	<u>226,000</u>	<u>2,641,200</u>

The amounts to be recognised in Profit and Loss for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Current service cost	215,200	135,700
Interest on the net defined benefit liability	47,300	60,600
Loss on plan changes	-	-
Losses (or gains) on settlements or curtailments	-	-
Total	<u>262,500</u>	<u>196,300</u>

Changes in the present value of the plan liabilities for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Present value of plan liabilities at beginning of period	7,829,300	8,734,400
Current service cost	215,200	135,700
Employee contributions	7,300	11,100
Benefits paid and DIS premiums	(71,600)	(410,100)
Interest on plan liabilities	146,200	124,700
Actuarial (gains)/losses	(2,616,800)	(766,500)
(Gain)/loss on plan changes	-	-
Curtailment (gain)/loss	-	-
Settlement	-	-
Present value of plan liabilities at end of period	<u>5,509,600</u>	<u>7,829,300</u>

Changes in the fair value of the plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Market value of plan assets at beginning of period	5,188,100	4,413,800
Contributions paid by the College	379,300	416,000
Employee contributions	7,300	11,100
Benefits paid and DIS premiums	(71,600)	(410,100)
Administrative expenses	-	-
Interest on plan assets	98,900	64,100
Return on assets, less interest included in Profit & Loss	(318,400)	693,200
Settlement	-	-
Market value of plan assets at end of period	<u>5,283,600</u>	<u>5,188,100</u>
Actual return on plan assets	<u>(219,500)</u>	<u>757,300</u>

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Sidney Sussex College 1975 Pension Scheme (Continued)

The major categories of plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
Equities	78%	70%
Property	4%	4%
Corporate bonds	6%	6%
With profit funds	4%	4%
Cash	8%	16%
Total	<u>100%</u>	<u>100%</u>

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

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Actuarial gain/(loss) on plan assets	(318,400)	693,200
Actuarial gain/(loss) on plan liabilities	2,616,800	766,500
Re-measurement of net defined benefit liability recognised in OCI	<u>2,298,400</u>	<u>1,459,700</u>

Movement in net defined benefit asset/ (liability) during the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£	£
Net defined benefit asset/(liability) at beginning of year	(2,641,200)	(4,320,600)
Recognised in Profit and Loss	(262,500)	(196,300)
Contributions paid by the College	379,300	416,000
Re-measurement of net defined benefit liability recognised in OCI	2,298,400	1,459,700
Net defined benefit asset/(liability) at end of year	<u>(226,000)</u>	<u>(2,641,200)</u>

27 Contingent Liabilities

No contingent liability has been recognised.

28 Related Party Transactions

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

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

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

Fellows are remunerated for teaching, research and other duties within the College. Fellows are billed for any private catering. The Trustees' remuneration is overseen by the Remuneration Committee.

The salaries paid to Trustees (excluding employer's national insurance contributions and employer's pension contributions employers) in the year are summarised in the table below:

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	From	To	2022 Number	2021 Number
	£0	£10,000	13	10
	£10,001	£20,000	1	-
	£20,001	£30,000	-	-
	£30,001	£40,000	2	1
	£40,001	£50,000	2	2
	£50,001	£60,000	-	-
	£60,001	£70,000	1	1
	£70,001	£80,000	-	1
	£80,001	£90,000	1	1
	£90,001	£100,000	-	-
		Total	20	16
The total Trustee salaries were £388k for the year (2020-21: £416k)				
The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £115k for the year (2020-21: £130k)				
The Trustees were also paid expenses in respect of their teaching, research and other duties within the College which totalled £4.6k for the year. These expenses related to travel, College entertainment and research expenditure				
The College has one trading and one dormant subsidiary undertaking which are not consolidated into these accounts. All subsidiary undertakings are 100% owned by the College and are registered and operating in England and Wales. The College has taken advantage of the exemption within section 33 of FRS 102 not to disclose transactions with wholly owned group companies that are related parties.				