

Charity Registration No: 1137471

HUGHES HALL

**RECOMMENDED CAMBRIDGE
COLLEGE ACCOUNTS**

FOR THE YEAR ENDED

31 JULY 2021

HUGHES HALL

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

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REFERENCE AND ADMINISTRATION DETAILS FOR THE YEAR ENDED 31 JULY 2021

Name of College:

The President and Fellows of Hughes Hall in the University of Cambridge

Address: Hughes Hall
Cambridge
CB1 2EW

Charity Commission Registered No: 1137471

Advisors:

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

Solicitors

Ashton Legal
Chequers House
77-81 Newmarket Road
Cambridge
CB5 8EU

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

Bankers

Lloyds Bank
3 Sidney Street
Cambridge
CB2 3HQ

Fund Managers

Cazenove Capital
1 London Wall Place
London
EC2Y 5AU

Senior officers:

Head of House	Dr Anthony Freeling
Bursar	Mr Jonathan Newby
Senior Tutor	Dr Tori McKee

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MEMBERS OF THE GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2021

Charity Trustees (Members of the Governing Body)

The trustees of the College during the period 1 August 2020 to 31 July 2021 were:

Head of House Dr A Freeling (President) *

Fellows:

Mrs Heidi Allen	Dr Agnieszka Iwasiewicz-Wabnig *
Mr Mark Anderson	Dr Philip Johnston *
Dr Stephen Axford	Dr James Kaufman (Resigned September 2020)
Dr Mark Bale (Resigned September 2020)	Dr Tobias Kohn *
Prof Michael Barrett	Dr Yury Korolev
Dr Heather Blackmore (Resigned March 2021)	Dr Alastair Lockhart
Dr Hilary Burton * (Resigned September 2020)	Dr Andrew Mackintosh
Dr Stephen Cave (Resigned September 2020)	Dr Timea Nochta
Dr Jimmy Chan (Appointed December 2020)	Prof William Nuttall
Mr William Charnley	Dr Ajith Parlikad
Dr Othman Cole	Prof Jonathan Powell *
Mr Martin Coleman * (Resigned September 2020)	Mrs Laurel Powers-Freeling
Dr Bart de Nijs	Dr Aisling Redmond
Dr Paula De Oliveira-Banca	Dr Corinne Roughley *
Dr Bernard Devereux (Resigned September 2020)	Prof Ricardo Sabates-Aysa *
Prof Gishan Dissanaiké	Dr Carole Sargent
Dr Claire Donnelly	Dr Kishore Sengupta
Prof John Doorbar *	Dr Eugene Shwageraus *
Prof Ming-Qing Du	Prof Nidhi Singal *
Dr Pete Dudley	Dr Jeffrey Skopek
Mrs Victoria Espley * (Resigned July 2021)	Dr Jacob Stegenga
Prof Tamsin Ford	Dr Martin Steinfeld
Dr Markus Gehring	Prof Andreas Stylianides
Prof Emanuele Giovannetti	Dr Livia Tomova (Appointed October 2020)
Dr Miguel Gonzalez Zalba (Resigned December 2020)	Prof Paul Tracey
Mr Nick Gray (Resigned September 2020)	Dr Caroline Trotter
Dr Sara Hennessy	Dr Suzanne Turner
Dr Sarah Hoare	Dr Lars Vinx *
Dr Riikka Hofmann	Prof Rupert Wegerif
Dr Sonia Ilie *	Dr Clive Wells
Prof Bill Irish *	Dr Jessica White
	Dr Nigel Yandell

Those members of the Governing Body marked * (together with the student President and Secretary of the Middle Common Room) served as members of the College Council within the period.

HUGHES HALL

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 JULY 2021

OPERATING AND FINANCIAL REVIEW

Introduction

Hughes Hall (the “College”) is pleased to present its operating and financial review, together with the financial statements for the year ended 31 July 2021.

The College would like to take this opportunity to record its appreciation of the work of Dr Philip Johnston, the Senior Tutor, who retired in summer 2021 after 12 years of service to the College and to Mrs Victoria Espley, Bursar, who stepped down in July 2021.

For the College, 2020/2021 maintained the theme of rapid change, as Covid-19 continued to impact operations and the fluctuating national restrictions tested the collegiate university’s adaptability. A review of our response to the second year of the pandemic, our actions and our vision for the future are described on page 12. The financial impact of the pandemic will be apparent in many aspects of the 2020-2021 accounts and is referenced where particularly significant. Despite the global situation, our students produced the best-ever results in June 2021 and we received our largest intake of undergraduates in 2021 – double that of five years ago. Our thanks are due to the people of Hughes Hall; our students, staff and seniors, who through challenging circumstances, continued to deliver against our educational mission.

The College

The College owes its origins to the Cambridge Training College for Women founded in 1885 which was subsequently incorporated under the Companies Act. In October 1950 the College changed its name to the Elizabeth Phillips Hughes Hall Company. It continued to admit only women training to become teachers until 1968 when it admitted other women graduates and became an Approved Society in the University. In 1973 it admitted its first male students and in 1985 became an Approved Foundation of the University. The College petitioned for the grant of a Charter of Incorporation which was given under the title of ‘The President and Fellows of Hughes Hall in the University of Cambridge’ in July 2006; no longer a limited company, it is now known as ‘Hughes Hall’ and is one of 31 self-governing colleges within the University of Cambridge.

Our vision for Hughes Hall is to be a recognized leader in the University of Cambridge by 2050: a pioneering college for the third millennium. We are dynamic in our approach, developing a unique global impact at the cutting-edge of the academic, professional and commercial worlds.

From its earliest days the College has been pioneering and innovative. The College’s Victorian benefactors were unique in admitting women graduates and offering provision for graduate students specifically. Once Cambridge finally admitted women undergraduates the College became an integral part of the drive to develop post-graduate education, as the University expanded the range of post-graduate degrees from the 1960s. During this period the College grew to nearly 400 students and developed its estate, extending the original building, now renamed the Margaret Wileman building, and erecting Chancellors’ Court, the Centenary building and the Fenner’s building.

By the time it received its Royal Charter in 2006 the College was already developing its distinctive intellectual strengths and reputation as a ‘bridge’ between academia and the wider world, a nexus of open, transformative practice and research. Since then, it has continued to evolve whilst retaining its tradition of a diverse, friendly atmosphere that rewards fresh thinking. Key developments include the College’s growth from 400 to 850 students, the election of a stronger and more diverse Fellowship, and an increase in staff to enhance both academic and pastoral support. Over the last ten years the College has raised more than £3m for scholarships, and expanded its library and study facilities, as well as increasing its student accommodation by over 100 rooms, including Gresham Court in 2016.

As a group, the formal “Fellows” of the College form the Governing Body, the highest authority in the College – they are also the College’s charity trustees. The broader senior membership is made up of over 200 Honorary, Life, By and Quondam Fellows, as well as Associates and Research Associates. This incorporates a wide range of scholars and professionals into the intellectual and communal life of the College and these individuals represent the core academic, cultural and institutional leadership of the College community.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

Hughes Hall is proud of its unique Bridge Fellows (formerly known as City Fellows) scheme, which appoints individuals from non-academic walks of life to foster the College's links to the UK business and policy community and to enhance the professional range of the College's senior membership. We are now actively working to increase the diversity and inclusiveness of our senior membership and Fellowship, in particular in terms of gender and ethnicity.

An important feature of collegiate life at Hughes Hall is that students and the senior membership mix freely, with no separate provision at regular meals or in the use of the College's recreational facilities. In a distinctive way, fostered by the egalitarian and mature atmosphere of the College, all members, whether student, Fellow or other senior member, have opportunities to share interests and learn from one another in the relaxed interdisciplinary environment of the College.

Scope of the financial statements

The consolidated financial statements cover the activities of Hughes Hall, Hughes Hall Ltd, Hughes Hall (Hong Kong) Ltd, Hughes Hall Conference Company Ltd and Chapter Zero Ltd.

Hughes Hall Ltd is a wholly owned subsidiary of Hughes Hall and its principal activity is to design and build new residential accommodation at Hughes Hall. The Directors are all trustees of Hughes Hall.

Hughes Hall (Hong Kong) Ltd is a wholly owned subsidiary of Hughes Hall, incorporated and domiciled in Hong Kong. Its principal activity is the promotion of learning and education at Hughes Hall, University of Cambridge. It was set up to facilitate the processing of donations from Hong Kong based benefactors. It is audited separately in Hong Kong by local accountants to satisfy Hong Kong regulations and the Hughes Hall consolidated accounts include the draft Financial Statements for Hughes Hall (Hong Kong) Ltd for the year ended 31 July 2021.

Hughes Hall Conference Company Ltd is a wholly owned subsidiary of Hughes Hall and its principal activity is delivery of conferences and events. The Directors are all trustees of Hughes Hall.

Chapter Zero Ltd is a company limited by guarantee of which Hughes Hall is the sole member and exercises control over the company. Chapter Zero is therefore a subsidiary of Hughes Hall and its principal activity is climate change research.

Objectives of the College

The objectives of the College, as set out in our Royal Charter, are to:

- endow, maintain and carry on a College in Cambridge for graduates and for mature-age students qualified to be matriculated in the University of Cambridge; and
- promote education, learning and research in the University of Cambridge and elsewhere.

Public benefit

The College, in conjunction with the University of Cambridge, provides an education for mature undergraduate (those aged 21 and above) and postgraduate students, which is recognised internationally as being of the highest standard.

This education develops students academically and advances their leadership qualities and interpersonal skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group supervision for undergraduates, as well as pastoral, administrative and academic support for all students through its tutorial and mentoring systems; and
- social, cultural, intellectual, musical, recreational and sporting facilities which enable each of its students to realise their academic and personal potential to the full while studying at the College.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

Research

The College advances research through:

- providing Research Fellowships to outstanding academics in the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post;
- connecting our academic talent with leaders in policy, practice and commerce, and enable lasting solutions to pressing problems through our translational initiative - the Bridge;
- funding and supporting post-doctoral, early career academics in support of our Bridge centres;
- supporting the research work of its students and Fellows by promoting interaction across disciplines, providing facilities for seminars and developing a community of researchers; and
- fostering academic networking by encouraging visits from outstanding academics as Visiting Fellows and Visiting Scholars.

The College maintains a Library (the Edwin Leong Library) which provides a valuable resource for students and Fellows of the College.

Teaching

The College admits students who have the highest potential for benefiting from the education provided by the College and the University, regardless of their gender or their financial, social, religious or ethnic background.

In 2020/21 Hughes Hall had 15 tutors, each with responsibility for a student group, 9 of the tutors (Governing Body Fellows) had a full allocation of students and 6 were Associate Tutors (normally not Governing Body Fellows) with a reduced allocation of students. Tutors see undergraduates every term, and postgraduates at the start of their course and then on request. Tutors are an important source of support, both for regular matters like grant applications, and for occasional difficulties, whether personal, financial, or academic. In addition, tutors read termly supervision reports for their students. Tutors then follow up any issues raised.

The tutors meet regularly in term-time, and discuss general issues relating to the student body and any individual issues where their collective wisdom can be of benefit. The tutorial team acts in strict confidence, as is appropriate.

As part of its strategy of providing the highest standard of education, the College arranges major lectures or dinner talks for students, senior members and invited guests. These cover four subject areas: Law (Charnley Dinner), Medicine (Zimmern Lecture and Dinner), Humanities (Berg Rust Lecture) and STEM (Annual Symposium). These events allow participants to hear distinguished invited speakers from the College and the wider world, who present engaging, stimulating, and sometimes provocative talks on their areas of expertise.

In 2020/21, events moved online, with a topical programme of panel and audience discussions from The Bridge on the impact of the Covid-19 pandemic. The Seniors' Spotlight Series highlighted our senior members intellectual, professional and philanthropic passions, and virtual 'in conversation' events spanned topics from social innovation to LGBTQ+ art entrepreneurship. The Berg Rust Lecture took place in January 2021.

The College's annual programme of musical events was paused; the Music Cafés, designed to encourage students and Seniors to participate in informal musical evenings with repertoire across a wide range of styles, continued within permitted guidelines.

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

Funding

The College funds its activities from academic fees, charges for student accommodation and catering, income from its conferencing business and income from investments and donations. The two most significant ordinary income streams are income from student accommodation of £2.24m (£2.22m in 2019/20) and fees for graduate students of £2.24m (£2.15m in 2019/20). The College received £1.93m (£1.92m in 2019/20) in donations including £0.07m legacy donations (£1.1m in 2019/20).

Structure, Governance and Management

The Governing Body, comprising the President and Fellows, is responsible for the governance of the College; it meets formally twice per term and on other occasions if necessary. The President and Officers are accountable to the Governing Body. The Governing Body is constituted and regulated in accordance with the College statutes and is the body responsible for the strategic direction of the College, and its members are the Charity's trustees.

The College Council is delegated responsibility by the Governing Body for all matters relating to the administration of the College. The College Council comprises the President, Vice President, Pro-Vice-President, Senior Tutor, Bursar, Director of Institutional Advancement (non-voting member), Director of Strategy and the Bridge, seven other members of the Governing Body (the latter each elected by the Governing Body for periods of three years) and the President and Secretary of the Middle Common Room (MCR). The Officers of the MCR participate for Unreserved Business. It meets formally twice per term and on other occasions if necessary.

Declarations of interest are made systematically at every meeting of Governing Body and Council.

The College has a number of sub-committees of Governing Body and of Council which are listed in the Governance section of this report. These include Audit Committee and Finance Committee. The responsibilities of Finance Committee include setting the strategy and processes for financial regulation within the College and the Audit Committee is responsible for ensuring that those processes are followed.

The College appoints an Academic Convenor who is responsible for establishing a programme of events to enliven the academic life of the College and to build academic links between junior and senior members.

In 2020/21 Hughes Hall had 782 fee-paying students (771 in 2019/20), plus 54 students no longer paying fees but yet to complete their course by, for example, writing up dissertations. They cover the full range of courses: Bachelors, Masters (and other 1-year postgraduate) and Doctoral courses. Most students were full-time, but 134 (152 in 2019/20) were part-time (MEd, MSt, Executive MBA, part-time MPhil and PhD). For fees purposes the number of students on a full-time equivalent basis was 714 (692 in 2019/20).

Financial and other support

Hughes Hall has several funds to assist students with financial support including funds for Scholarships, Prizes, Hardship and Travel.

Scholarship are administered by the Admissions Committee, and are awards made on academic grounds to applicants to the College. In 2020/21 Hughes Hall allocated awards to five students to the value of £101,710 (£81,501 in 2019/20) and administered awards to the value of £175,062 (£152,661 in 2019/20) from external benefactors.

In 2020/21 the College awarded prizes for outstanding academic achievement to the value of £8,350 (£3,250 in 2019/20) as follows:

- 13x E.M. Burnett Prizes for Distinction in MAST or First Class in LLM/MCL
- 16x E.M. Burnett Prizes for First Class final year BA
- 24x E.M. Burnett Prizes for First Class in non-final year BA

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

- 2x Godwin Raffan Prize
- 1x Lowman Prize for Education
- 1x Kenworthy Prize for Distinction in Classics
- 1x Grossman Prize for Highest First in Economics

Other Funds

Fund	Description	Total £ 2020/21	Total £ 2019/20
Hardship Bursaries	For unforeseen hardship in maintenance and/or accommodation	£32,474	£10,531
Conference Travel	For all postgraduates, and for undergraduates when a course requirement. Generously supported by a benefactor.	£4,047	£15,781
Varsity Sport	For athletes participating in University sports teams	£1,249	£2,960
Language Course Support	For students who study a language other than English alongside their course, normally through the Language Centre's programme (CULP)	£2,010	£2,005
Innominate Fund	For various financial needs up to £250, e.g. PhD Thesis binding, small hardship.	£2,691	£2,806

Fundraising and Alumni Relations

The College's Development Office works in partnership with the University of Cambridge on Alumni and Development related activities. The annual Alumni Festival moved online for the 2020 Festival Weekend, in which a record number of virtual attendees were involved. The office normally holds several alumni gatherings throughout the year and around the world including Hong Kong, Singapore and the United States, which in 2020/2021 were all conducted virtually. The continuing Covid-19 restrictions meant that all in-person activities for alumni stopped along with travelling to continue with the College's relationship building strategies. Communications activity continued to engage audiences and followers through updated content on all platforms.

The College has limited developed relationships, both alumni and non-alumni, of a scale that can make a difference to the College's finances. The priority of the development team therefore remains to grow the College's major gifts and to work on improving organisational systems and processes, growing the regular giving programme, enhancing donor stewardship and seeking engagement with donor prospects interested in research and subject areas that are priorities of the College, most particularly the portfolio of Bridge translation projects.

The fundraising received in the year focused on funding for Scholarships and Bursaries, as well as unrestricted support for general college needs. The Digital Education Futures Initiative received a 10-year commitment for £3 million.

The College is registered with the Fundraising Regulator. The College does not use external professional fundraisers or commercial participators and carries out fundraising activities, primarily through its Development Office, in collaboration with Cambridge University Development and Alumni Relations office as appropriate. The College pursues a traditional approach to fund-raising, seeking alumni participation through regular giving schemes and approaches to donor prospects for supporting research-led initiatives in the College. In addition to seeking financial and other support for the College, the Development Office is also responsible for broader alumni relations.

Techniques used include face to face fundraising by private meeting, the promotion of legacy giving, telephone campaigns to members of the College's community and opportunities for online giving via the website. Training is given to all individuals who undertake fundraising activities to ensure that they know how to handle an obviously vulnerable person and to protect vulnerable people and the wider public from unreasonably intrusive, persistent methods or undue pressure. There have been no formal complaints made about fundraising (prior year none).

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REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

Income and Expenditure

For the financial year from 1 August 2020 to 31 July 2021 the Group recorded a surplus of £3.98 m (£2.28m in 2019/20) which included investment gains of £1.46m. Total income was £6.49m (£6.99m in 2019/20) before donations and legacies of £1.93m (£1.92m in 2019/20) and Colleges Grant of £1.09m (£0.92m in 2019/20).

Within the £6.49m, income from academic fees and charges increased to £3.68m as at 31 July 2021 (£3.35m as at 31 July 2020) as student numbers increased. Income from accommodation and catering for College Members decreased to £2.35m (£2.61m in 2019/20) due to the impact of the initial pandemic lockdown and subsequent restrictions on communal dining. There was no income from accommodation and catering for Conference guests (£0.38m in 2019/20) as all conferences and events booked for Easter and summer were cancelled due to Covid-19 restrictions. There was £0.46m in investment and other income (£0.66m in 2019/20).

Ordinary expenditure during the year was £6.18m (£6.89m in 2019/20) which included a £0.48m (£0.50m in 2019/20) charge for depreciation. Capital funding costs of £0.83m (£0.74m in 2019/20) were all interest costs. Within the £6.18m (£6.89m in 2019/20) expenditure there were staff costs of £2.85m at 31 July 2021 (£2.86m at 31 July 2020).

	2021 Total	2020 Total
	£	£
Ordinary Income	6,487,588	6,994,615
Ordinary Expenditure	(6,181,945)	(6,891,868)
Surplus on ordinary income	305,643	102,747
Donations received including legacy	1,931,898	1,922,546
Capital Grant from Colleges Fund	1,088,000	920,000
Funding costs	(826,169)	(736,011)
Chapter Zero	(258,688)	-
Effect of other gains, losses and charges	1,734,567	67,983
Total comprehensive income for the year	3,975,251	2,277,265

Endowment and investment performance

The College's Investment Policy aims to protect the values of the portfolios in real terms by striking a balance between the interests of the present members of the College and future generations, whilst supporting the strategic vision of the College for its growth and expansion.

The investment portfolio is monitored and reviewed by the College's Investments Committee, which includes in its membership Fellows and others with significant investment management expertise.

As at July 2021, the College held investments in two financial investment portfolios, the Long Term Fund and Estates Development Fund, which are managed by its investment managers, Cazenove Capital, part of the Schroders Group.

The Estates Development Fund is to be invested in assets with a high degree of capital preservation, of minimum risk and highly liquid as they are expected to be required by the College within the next five years to finance a major strategic development. The Long-Term Fund comprises the other College investment funds to be invested on a long-term basis with the aim of growing its value in real terms over the medium term with risk reduced through diversification within agreed range parameters.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

The College held £34.86m (£30.85m in 2019/20) of investments, including an investment property purchased in July 2021, and £2.11m (£2.21m in 2019/20) in cash and cash equivalents.

The Long-Term Fund was valued at £8.49m on 31 July 2021 and is invested as permanent capital, with the strong increase year-on-year (£7.03m in 2019/20) due to equity market performance. The investment managers have been set a target of Total Return of CPI +3.5%, over a rolling five-year period.

The Estates Development Fund was valued at £15.62m (£13.73m in 2019/20) on the 31 July 2021. The managers measure the fund's performance against cash rates, with the key performance metric of beating inflation.

Total funds held by Cazenove at 31 July 2021 were £34.19m (£30.85m in 2019/20), including £10m (£10m in 2019/20) in Blackrock Sterling Fund from monies raised through a private placement in 2019.

Cazenove maintains a Socially Responsible Investment policy, conducting research into the social, environmental, ethical and corporate governance stance of the companies selected for investment and rating individual firms.

Capital Expenditure

The College is actively seeking to improve its provision for accommodating students, with regular capital expenditure projects improving the quality of accommodation and social spaces provided.

In the summer of 2021, the College carried out renovations of its Chancellor's Court and Wollaston Lodge buildings. Bathrooms were updated to modernise facilities and increase the number of en-suites for households whilst internal decoration and flooring updates continued the College's improvement of the student environment.

During the financial year, the College had 372 rooms available for students to rent (of which 11 are flats/studios). 281 (including 11 flats/studios) were in buildings on the central College site surrounding the cricket field, 91 were in houses or developments owned or managed by the College, located in residential streets in the local area.

Reserves Policy

As the College intends to continue to pursue its objectives in perpetuity, it views its investments strategically over the long term. The principal aim is to protect and maintain the real value of its endowment capital, and to continue to increase its unrestricted funds and reserves as much as possible over that extended period, whilst seeking an equitable funding balance between the interests and aspirations of present members and those yet to come, and the retention of an ability to cope with sudden unforeseen financial upheavals and opportunities. This aim has proven very valuable during the recent pandemic, during which the College has continued to monitor and manage its reserves closely.

The College has a policy of holding sufficient free reserves which are readily available in case of a revenue shortfall or other need for liquidity, and which therefore are invested in liquid assets within the College's overall investment portfolio. The policy target for free reserves is to be an amount broadly equivalent to six month's operational spend, currently £2.55m.

The College's level of liquid reserves has satisfied this target at all times during the previous three years. The value of the College's free reserves at 31 July 2021 was £5.6m after deducting endowment and restricted funds, and reserves committed to operating and fixed assets (£3.03m in 2019/2020).

Remuneration Policy

No Trustee receives any remuneration, or any other benefit, for acting as a trustee of the College. Trustees only receive out-of-pocket expenses, incurred in the course of carrying out their duties as trustees. Outside of their role as a Trustee of the College, the President and any Fellow of the College may receive such remuneration and any other benefits in respect of any employment, or College Office or College Post, or other post or appointment, as the College's Ordinances authorise.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

The College has a Remuneration Committee made up of five non-conflicted trustees. The Remuneration Committee acts as an independent advisory body to the Governing Body. The Remuneration Committee is charged with the scrutiny and management of College policies on remuneration and benefits payable to the President and Fellows of the College.

The Remuneration Committee makes recommendations to the Governing Body in respect of:

- (a) remuneration and benefit policies
- (b) salary and stipend scales
- (c) honoraria, including bonuses
- (d) terms and conditions of employment; and
- (e) any scheme of allowances and benefits.

Details of remuneration for key management personnel are outlined in Note 9. Details of related party transactions with Trustees are outlined in Note 29.

Principal risks and uncertainties

The Governing Body as charity trustees has a responsibility to monitor, disclose and where feasible manage the major risks and uncertainties facing the College. The College monitors these risks by maintaining a Risk Register, which looks at ways to mitigate these risks and is reviewed and updated at least annually by the Audit Committee, who report to the Governing Body.

The most significant risks at present relate to the Covid-19 pandemic:

- students being unable to take up their residence in College, thus being eligible for rent waivers, with an associated reduction in accommodation and catering income;
- reduction in income from conferencing and catering due to ongoing Covid-19 restrictions and potential longer-term changes to the College's conferencing business model;
- health and safety risks within the College community due to transmission of the virus;
- increase in costs (logistics, food and raw materials costs) resulting from both the global impact of Covid-19 as well as the UK's departure from the European Union;
- movements in investment markets reducing the value of the investment assets; and
- an uncertain economic and financial environment putting pressure on the College's ability to raise development funds.

Beyond recovery from Covid-19 and managing the impact of Brexit, the following areas of institutional risk are being actively monitored by the College's Committees, and specific issues reported to Governing Body.

- Student Support & Recruitment – changes to the balance of membership (graduate/undergraduate) impacting both fee income and resource expenditure;
- Fees & Funding – in a 'repeated waves' pandemic scenario, the ongoing reduction in fee income may affect present College operations and future development plans;
- Financial Management – operational income and expenditure imbalances affecting covenant thresholds;
- Estates & Operations – reduction in income impacting Estates maintenance reserves with health and safety and capital cost implications; and
- Information Technology – increased risks associated with cyber security, threatening College operation.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

Progress made against plans during the year

During the year the College continued to develop its distinctive academic profile by expanding the Bridge initiative, which leverages the College's multi-disciplinary perspective, international nature and external focus to bring the research and expertise of its academic community to solve real world problems.

The College made significant progress on its masterplan for infrastructure developments over the next decade. Private placement funding secured in 2018/19 alongside its liquid funds will ensure the College can expedite decisions and maximise opportunities to develop a physical infrastructure to match its aspirations for the future.

Responding to COVID-19

The global pandemic of Covid-19 continued to have a profound impact on the College community throughout 2020 and 2021. The College developed its Crisis Recovery Plan during summer 2020 to respond to the ever-changing situation, embracing flexible staffing and the introduction of different systems and processes to safeguard our students on the roadmap back to normality. The asymptomatic testing programme introduced at the start of the academic year became a crucial part of collegiate virus management, with the College's weekly Covid cases demonstrating the students' commitment to government and College guidance.

The speed of change during the year was demonstrated by the increased number of students starting in October, with face-to-face teaching where possible, swiftly alter following a national lockdown in November. The start of 2021 saw a reduction of students in Cambridge, with taught courses moved online and rent charges waived for students not in college accommodation. Weekly Welfare and Student Finance meetings continued to aid those in difficulties, providing access to hardship funds.

The opening of the Easter travel window facilitated the return of students to Cambridge, with 600 students in residence by the end of April 2021. College staff continued to demonstrate adaptability and resilience, working remotely wherever possible, whilst furloughed staff were supported under the Coronavirus Job Retention Scheme. As lockdown measures eased, staff returning to work in College used flexible working patterns to ensure the effectiveness of virus control measures.

The University and the Colleges have worked collaboratively since the start of the pandemic with joint planning and recovery streams. The University's detailed scenario planning undertaken during 2020, in conjunction with its asymptomatic testing programme, ensured the Colleges were in a strong position to open up to academic, social and personal freedoms as restrictions relaxed. The College continued to adapt to the ever-changing situation as new variants again disrupted the roadmap to recovery, with agile processes across its academic, financial and operational activities enabling it to respond swiftly and decisively to government advice.

The pandemic continued to have a significant financial impact on the College. The principal detriments up to 31 July 2021 were the loss of student rental income during the rolling national lockdowns and the loss of conferencing, summer school and catering income during July and August 2020 and July 2021. The significant proportion of funds being held as cash reduced the potential impact on endowment assets during market turbulence.

The key concerns going forward are continuing reductions in conferencing, summer school and catering income, due to virus control measures reducing communal activities and further lockdowns in the academic year 2021/22, caused by the resistance of new variants to the vaccines, reducing students residence in Cambridge. There is always the possibility of a downturn in admissions to the University but that has not been the experience from the pandemic so far.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

Plans for the future

Hughes Hall's purpose is to improve society worldwide through excellent teaching and research, bridging the academic and external worlds, and foster an interdisciplinary environment that is global in outlook, egalitarian in ethos and cosmopolitan in character.

To achieve this, we shall continue to:

1. Foster an interdisciplinary, inspirational and inclusive environment for our members;
2. Support mature undergraduate and postgraduate students in achieving their potential through personalised teaching, mentoring, welfare and funding;
3. Connect our academic talent with leaders in policy, practice and commerce, and enable lasting solutions to pressing problems through our translational initiative - the Bridge.

The College plans to ensure that its physical infrastructure matches and facilitates its aspirations. This will require additional land and buildings both for student accommodation and public spaces and providing study rooms for Fellows. We shall be looking to finance these new initiatives through a combination of long-term lending, continued control of our costs and by launching a new fund-raising campaign.

In the short term, the College will provide the best possible student education and experience under variable approaches to social distancing, while operating within our means, being prepared to open up more and faster if there are no serious variant-driven waves. The agenda for the year will focus on four cross-departmental initiatives:

1. Managing risks arising from the Covid-19 pandemic
2. Accelerating the programme of action to enhance equality and diversity across the College
3. Implementing the College's Carbon Reduction Policy
4. Continuing with Estate Development plans, pushing for early land purchase

These will be supported by the departmental agenda priorities:

- **Academic** Develop a distinctive academic profile for the College as it continues to grow, based on translation of research into practice in our focus areas, building on previous initiatives to attract, develop and support all members of the academic community
- **Bursarial** Deliver operational resilience, executional capability, financial strength as well as strategic adaptability and versatility. We will achieve this by building on recent changes to instil a culture of excellence, cost effectiveness and continuous improvement in all aspects of our operations
- **Development** Raise £200,000 in unrestricted funds annually and at least £1m during the year for our fund-raising priorities, fully integrating the development team with the rest of the College to improve our administration and stewardship of donations, and lead preparations for a capital fundraising campaign
- **Communications** The College continues to be less well-known and its strengths less recognised than the reality it deserves. The primary objective is to continue our efforts to correct this imbalance. We want to make Hughes Hall the most attractive graduate college in Cambridge
- **The Bridge** Continue to develop the Bridge's reach and impact, while strengthening its governance as it grows and evolves, building in particular the Centre for Climate Engagement, and the Digital Education Futures Initiative, while continuing to develop the Centre for Digital Innovation, Oracy Centre, Governance Labs and Global Health

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

Corporate Governance

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number 1137471) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Governing Body members are advised in carrying out their duties by a number of Committees:

Admissions Committee
Audit Committee
Bridge Committee
Development Strategy Group
Estates Committee
Fellowships Committee
Finance Committee
Governance Committee
House Committee
Investments Committee
Prevent Committee
Remuneration Committee
Staff Strategy Committee

All Committees meet at least twice per academic year.

4. The principal officers of the College are: Dr A Freeling (President), Mr J Newby (Bursar) and Dr T McKee (Senior Tutor).
5. It is the duty of the Audit Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Audit Committee consists of Mr N Brown, Dr M Bellamy, Mr P Dudley, Prof W Irish, Dr K Sengupta, Mr W Charnley and Dr J Chan.
6. There are Registers of Interests of Trustees, the Finance Committee and of the Audit Committee and other key personnel. Declarations of interest are made systematically at each of the meetings listed above.
7. The College's Trustees during the year ended 31 July 2021 are set out on page 3.

Statement of Internal Control

1. Governing Body is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
3. The systems of internal control are designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 31 July 2021 and up to the date of approval of the financial statements.

HUGHES HALL

REPORT OF THE TRUSTEES (continued) FOR THE YEAR ENDED 31 JULY 2021

4. Governing Body is responsible for reviewing the effectiveness of the system of internal control.
5. Governing Body's review of the effectiveness of the system of internal control is informed by the work of the various Committees, Bursar, and other College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.
6. The College's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:
 - comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed by the Finance Committee on behalf of Council;
 - regular reviews by the Council of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
 - setting targets to measure financial and other performance;
 - clearly defined purchasing (asset purchase or capital investment) guidelines;
 - delegation of authority and segregation of duties; and
 - identification and management of risks.

Responsibilities of the Governing Body

Governing Body 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 members of Governing Body are required to:

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

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

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

Dr Anthony Freeling
President
Member of College Council and Governing Body
Date: 1 December 2021

HUGHES HALL

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF HUGHES HALL FOR THE YEAR ENDED 31 JULY 2021

Opinion

We have audited the financial statements of Hughes Hall (the 'College') for the year ended 31 July 2021 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial 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.

HUGHES HALL

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF HUGHES HALL (continued) FOR THE YEAR ENDED 31 JULY 2021

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 Report of the Trustees.

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

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

Responsibilities of the Governing Body

As explained more fully in the responsibilities of the Governing Body statement set out on page 15, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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;

HUGHES HALL

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF HUGHES HALL (continued) FOR THE YEAR ENDED 31 JULY 2021

- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College; the Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- 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: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for>. This description forms part of our auditors' report.

HUGHES HALL

REPORT OF THE INDEPENDENT AUDITORS TO THE GOVERNING BODY OF HUGHES HALL (continued) *FOR THE YEAR ENDED 31 JULY 2021*

Use of our report

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

PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date:

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

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2021

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 and applicable United Kingdom accounting standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the SORP) and with Financial Reporting Standard FRS102 (FRS102).

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 8.

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

The functional and presentational currency of the College is GBP. The level of rounding applied is to the nearest £.

Going concern

The global health crisis caused by COVID-19 continues to have a significant impact on all businesses. Students have returned to the College at the start of the new academic year in October 2021 therefore the majority of College activities have resumed. However, it is likely that conference activity will be below pre-Covid levels in the immediate future.

The Trustees have prepared forecasts for the period to 2023 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has taken measures to reduce its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has sought to utilise financial measures announced by the Chancellor of the Exchequer, on behalf of HM Treasury to support and provide funding to businesses during this time. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the Group 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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 27. Intra-group balances are eliminated on consolidation.

The Group assets show a lower level of reserves compared to the College as the latter includes administrative charges payable by its subsidiary Hughes Hall Ltd.

Recognition of income

Academic fees

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

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2021

Grant income

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

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

Donations and endowments

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

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

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

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

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

Investment income and change in value of investment assets

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

Total Return

In 2020/21, Hughes Hall operates a Total Return investment accounting policy for the Long Term Fund. The College allocated a proportion of the investment earnings, net of expenses, and capital appreciation, to the income and expenditure account each year. The allocation of income is determined by a spending rule set by the College, calculated as 3% of the average Total Market Value of the Long Term fund over the previous 5 financial years.

Other income

Income is received from a range of activities including accommodation, catering conferences and other services rendered and is recognised in the period in which the goods or services are delivered.

Legacy accounting policy

For legacies, entitlement is taken as the earlier of the date of which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably, and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2021

Cambridge Bursary Scheme

In 2020-21, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). The College reimbursed the SLC for the full amount and the University of Cambridge and other Colleges paid their shares to the College.

Each College shows the gross payment made to eligible students within education expenditure and the contribution from the University and other Colleges as income within academic fees and charges.

The net payment of £42,704 is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£233,023
Expenditure	£275,727

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. Certain items of fixed assets that had been revalued to fair value on or prior to 1 August 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives of 70 years.

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

The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £2,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated (on a straight line basis) over their expected useful life as follows:

Furniture and fittings	20.0% per annum
Kitchen equipment	12.5% per annum
Computer equipment	20.0% per annum

Leased assets

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 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2021

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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

Debtors

Short term debtors are measured at transaction price, less impairment.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

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.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2021

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.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2021

Taxation

The College is a registered charity (number 1137471) 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.

Under the current rules of the scheme, Hughes Hall has always been a net recipient and not contributor.

Pension costs

Universities Superannuation Scheme (USS)

The College participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

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

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. There are no current members of staff in the scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

HUGHES HALL

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2021

Other pension schemes

The College also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the College. The annual contributions payable are charged to the Income and Expenditure Account.

Critical accounting estimates and areas of judgement

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

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

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

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 10.

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

Retirement benefit obligations – The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 26.

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

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 26.

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.

HUGHES HALL

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 JULY 2021

	Note	2021			2020				
		Unrestricted £	Restricted £	Endowment £	Total £	Unrestricted £	Restricted £	Endowment £	Total £
Income									
Academic fees and charges	1	3,400,589	275,359	-	3,675,948	3,102,106	243,950	-	3,346,056
Accommodation, catering and conferences	2	2,353,073	-	-	2,353,073	2,993,450	-	-	2,993,450
Investment income	3	183,951	2,269	81,438	267,658	346,594	40,703	-	387,297
Endowment return transferred	3	164,561	53,133	(217,694)	-	-	-	-	-
Other income	4	179,751	11,158	-	190,909	267,812	-	-	267,812
Total income before donations and endowments		6,281,925	341,919	(136,256)	6,487,588	6,709,962	284,653	-	6,994,615
Donations		171,827	1,685,524	-	1,857,351	275,998	532,466	-	808,464
Legacy Donations		74,547	-	-	74,547	1,114,082	-	-	1,114,082
Capital grant from Colleges Fund		1,088,000	-	-	1,088,000	920,000	-	-	920,000
Total income		7,616,299	2,027,443	(136,256)	9,507,486	9,020,042	817,119	-	9,837,161
Expenditure									
Education	5	3,184,361	681,948	-	3,866,309	2,953,560	628,502	-	3,582,062
Residences, catering and conferences	6	2,315,636	-	-	2,315,636	3,309,806	-	-	3,309,806
Other expenditure	7	435,115	617,090	32,652	1,084,857	548,829	187,182	-	736,011
Total expenditure	8	5,935,112	1,299,038	32,652	7,266,802	6,812,195	815,684	-	7,627,879
Surplus/(deficit) before other gains and losses		1,681,187	728,405	(168,908)	2,240,684	2,207,847	1,435	-	2,209,282
Gain on investments	11	320,790	18,640	1,340,042	1,679,472	1,632	1,140	86,133	88,905
Surplus for the year		2,001,977	747,045	1,171,134	3,920,156	2,209,479	2,575	86,133	2,298,187
Other comprehensive income									
Actuarial (loss) / gain in respect of pension schemes	17	55,095	-	-	55,095	(20,922)	-	-	(20,922)
Total comprehensive income for the year		2,057,072	747,045	1,171,134	3,975,251	2,188,557	2,575	86,133	2,277,265

The notes on pages 31 to 48 form part of these accounts.

HUGHES HALL

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2021

Group	Income and expenditure reserve			Total £
	Unrestricted £	Restricted £	Endowment £	
Balance at 1 August 2020	39,937,634	1,138,555	6,726,864	47,803,053
Surplus from income and expenditure statement	2,001,977	747,045	1,171,134	3,920,156
Other comprehensive income	55,095	-	-	55,095
Balance at 31 July 2021	41,994,706	1,885,600	7,897,998	51,778,304

College	Income and expenditure reserve			Total £
	Unrestricted £	Restricted £	Endowment £	
Balance at 1 August 2020	40,381,781	986,202	6,726,864	48,094,847
Surplus from income and expenditure statement	1,883,809	634,060	1,171,134	3,689,003
Other comprehensive income	55,095	-	-	55,095
Balance at 31 July 2021	42,320,685	1,620,262	7,897,998	51,838,945

Group	Income and expenditure reserve			Total £
	Unrestricted £	Restricted £	Endowment £	
Balance at 1 August 2019	37,749,077	1,135,980	6,640,731	45,525,788
Surplus from income and expenditure statement	2,209,479	2,575	86,133	2,298,187
Other comprehensive income	(20,922)	-	-	(20,922)
Balance at 31 July 2020	39,937,634	1,138,555	6,726,864	47,803,053

College	Income and expenditure reserve			Total £
	Unrestricted £	Restricted £	Endowment £	
Balance at 1 August 2019	38,202,032	891,325	6,640,731	45,734,088
Surplus from income and expenditure statement	2,200,671	94,877	86,133	2,381,681
Other comprehensive income	(20,922)	-	-	(20,922)
Balance at 31 July 2020	40,381,781	986,202	6,726,864	48,094,847

The notes on pages 31 to 48 form part of these accounts.

HUGHES HALL

CONSOLIDATED AND COLLEGE BALANCE SHEET AS AT 31 JULY 2021

	Note	2021 Consolidated £	2021 College £	2020 Consolidated £	2020 College £
Non-Current Assets					
Fixed assets	10	36,423,245	36,864,711	36,903,987	37,348,249
Investments	11	34,857,424	34,857,424	30,850,921	30,850,921
Total non-current assets		<u>71,280,669</u>	<u>71,722,135</u>	<u>67,754,908</u>	<u>68,199,170</u>
Current Assets					
Stocks	12	15,564	15,564	16,080	16,080
Trade and other receivables	13	756,669	896,431	1,034,135	1,148,222
Cash and cash equivalents	14	2,111,672	1,562,367	2,209,517	1,914,842
Total current assets		<u>2,883,905</u>	<u>2,474,362</u>	<u>3,259,732</u>	<u>3,079,144</u>
Creditors: amounts falling due within one year	15	<u>(1,584,712)</u>	<u>(1,555,994)</u>	<u>(2,183,848)</u>	<u>(2,155,728)</u>
Net current assets		<u>1,299,193</u>	<u>918,368</u>	<u>1,075,884</u>	<u>923,416</u>
Total assets less current liabilities		72,579,862	72,640,503	68,830,792	69,122,586
Creditors: amounts falling due after more than one year	16	(20,489,370)	(20,489,370)	(20,664,650)	(20,664,650)
Provisions					
Pension provisions	17	(312,188)	(312,188)	(363,089)	(363,089)
Total net assets		<u>51,778,304</u>	<u>51,838,945</u>	<u>47,803,053</u>	<u>48,094,847</u>
Restricted reserves					
Income and expenditure reserve – endowment reserve	18	7,897,998	7,897,998	6,726,864	6,726,864
Income and expenditure reserve – restricted reserve	19	1,885,600	1,620,262	1,138,555	986,202
		<u>9,783,598</u>	<u>9,518,260</u>	<u>7,865,419</u>	<u>7,713,066</u>
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		41,994,706	42,320,685	39,937,634	40,381,781
Total Reserves		<u>51,778,304</u>	<u>51,838,945</u>	<u>47,803,053</u>	<u>48,094,847</u>

The accompanying notes on pages 31 to 48 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 1st December 2021 and signed on their behalf by:

Dr Anthony Freeling
President
Member of College Council and Governing Body

HUGHES HALL

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 £	2020 £
Net cash inflow from operating activities	21	2,865,866	2,838,175
Cash flows from investing activities	22	(2,062,871)	(1,375,014)
Cash flows from financing activities	23	(900,840)	(901,643)
(Decrease)/Increase in cash and cash equivalents in the year		<u>(97,845)</u>	<u>561,518</u>
Cash and cash equivalents at beginning of the year		<u>2,209,517</u>	<u>1,647,999</u>
Cash and cash equivalents at end of the year	14	<u><u>2,111,672</u></u>	<u><u>2,209,517</u></u>

The notes on pages 31 to 48 form part of these accounts.

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

1 Academic fees and charges	2021	2020
	£	£
Colleges fees:		
Fee income received at the regulated undergraduate rate	428,219	368,531
Fee income received at the unregulated undergraduate rate	723,490	578,598
Fee income received at the graduate rate	2,246,160	2,154,977
	<u>3,397,869</u>	<u>3,102,106</u>
Other income:		
Research Fellow Support (funded through donations)	33,486	7,622
Bursaries (Cambridge Bursary Scheme and other donations)	241,873	236,328
Teaching and Other Income	2,720	-
Total	<u>3,675,948</u>	<u>3,346,056</u>
2 Income from accommodation, catering and conferences	2021	2020
	£	£
Accommodation		
College members	2,236,444	2,245,209
Conferences	5,408	258,442
Catering		
College members	110,302	363,672
Conferences	919	126,127
Total	<u>2,353,073</u>	<u>2,993,450</u>
3 Endowment return and investment income		
The Total Return investment accounting policy only applies to the Long Term Fund		
	2021	2020
	£	£
3a Analysis of Endowment income		
Total return contribution (see note 3b)	217,694	-
Land and buildings	11,501	-
Quoted securities	169,930	321,448
Income from short-term investments	2,520	65,849
Other investment income	2,269	-
Total	<u>403,914</u>	<u>387,297</u>
3b Summary of total return	2021	2020
	£	£
Income from:		
Quoted and other securities and cash	81,438	-
Gains/(losses) on endowment assets:		
Quoted and other securities and cash	1,402,346	-
Investment management costs (see note 3c)	(32,652)	-
Total return for the year	<u>1,451,132</u>	<u>-</u>
Total return transferred to income and expenditure reserve (see note 3a)	(217,694)	-
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 20)	<u>1,233,438</u>	<u>-</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

3c Investment management costs	2021	2020
	£	£
Quoted securities – equities including in Total return	32,652	-
Quoted securities - equities	52,158	-
Total	<u>84,810</u>	<u>-</u>

4 Other Income	2021	2020
	£	£
Project Admin Recovery	30,444	13,602
Miscellaneous Income	17,180	22,387
Job retention scheme grant	132,126	231,823
Chapter Zero	11,159	-
Total	<u>190,909</u>	<u>267,812</u>

All job retention scheme grant income has been used for wages and salaries.

5 Education expenditure	2021	2020
	£	£
Teaching	1,675,551	1,613,507
Tutorial	432,426	419,042
Admissions	201,686	204,790
Research	692,299	501,804
Scholarships and awards	700,751	669,126
Other educational facilities	163,596	173,793
Total	<u>3,866,309</u>	<u>3,582,062</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

6 Accommodation, catering and conferences expenditure		2021	2020
		£	£
Accommodation	College members	1,904,382	2,257,817
	Conferences	746	241,649
Catering	College members	357,857	683,732
	Conferences	52,651	126,608
Total		<u>2,315,636</u>	<u>3,309,806</u>

7 Other Expenditure		2021	2020
		£	£
Loan Interest		93,244	98,549
Bond Interest		637,209	638,013
Other Expenditure including USS		95,716	(551)
Chapter Zero		258,688	-
Total		<u>1,084,857</u>	<u>736,011</u>

8a Analysis of 2020/21 expenditure by activity

	Staff costs (Note 9)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education (Note 5)	1,552,680	2,313,629	-	3,866,309
Accommodation, catering and conferences (Note 6)	1,301,309	530,094	484,233	2,315,636
Other (Note 7)	-	1,084,857	-	1,084,857
Totals	<u>2,853,989</u>	<u>3,928,580</u>	<u>484,233</u>	<u>7,266,802</u>

Expenditure includes fundraising costs of £212,840 (2020: £224,871). This expenditure does not include £75,529 (2020: £79,743) towards the costs of alumni relations.

8b Analysis of 2019/20 expenditure by activity

	Staff costs (Note 9)	Other operating expenses	Depreciation	Total
	£	£	£	£
Education (Note 5)	1,509,216	2,072,846	-	3,582,062
Accommodation, catering and conferences (Note 6)	1,351,582	1,459,993	498,231	3,309,806
Other (Note 7)	-	736,011	-	736,011
Totals	<u>2,860,798</u>	<u>4,268,850</u>	<u>498,231</u>	<u>7,627,879</u>

8c Auditors' remuneration

	2021	2020
	£	£
Other operating expenses include:		
Audit fees payable to the College's external auditors	19,500	18,500
Other fees payable to the College's external auditors	3,750	6,320
	<u>23,250</u>	<u>24,820</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

9 Staff costs			2021	2020
Consolidated	Academic	Non-academic	Total	Total
	£	£	£	£
Staff costs:				
Salaries	803,339	1,658,631	2,461,970	2,494,575
National Insurance	74,094	152,741	226,835	210,637
Pension costs	78,337	86,847	165,184	155,586
	<u>955,770</u>	<u>1,898,219</u>	<u>2,853,989</u>	<u>2,860,798</u>
	Average staff	numbers 2021	Average staff	numbers 2020
	Number of	Full time	Number of	Full time
	Fellows	Equivalent	Fellows	equivalent
Academic	17	19	15	17
Non-academic	2	52	1	52
Total	<u>19</u>	<u>71</u>	<u>16</u>	<u>69</u>

Full time equivalent numbers also include fellows.

At the balance sheet date there were 54 (2020: 64) members of the Governing Body. During the year the average number receiving remuneration was 19 (2020: 16) shown above.

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

	2021	2020
£110,001 - £120,000	1	1

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. During the year there were 5 (2020: 5) members of the key management team who are the President, Bursar, Senior Tutor, Bridge Director and Director of Institutional Advancement. The aggregated remuneration paid which consists of salary, employer's national insurance contributions, employer's pensions contributions, plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

	2021	2020
	£	£
Aggregated remuneration	403,170	431,499

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

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

10 Tangible Fixed Assets Consolidated

	Freehold land £	Freehold buildings £	Motor vehicle £	Furniture fittings and equipment £	Kitchen equipment £	Total £
Cost						
As at 1 August 2020	15,584,741	25,408,689	11,000	1,268,212	90,053	42,362,695
Additions at cost	-	-	-	3,491	-	3,491
Written off	-	-	-	(780,832)	(15,489)	(796,321)
As at 31 July 2021	<u>15,584,741</u>	<u>25,408,689</u>	<u>11,000</u>	<u>490,871</u>	<u>74,564</u>	<u>41,569,865</u>
Depreciation						
As at 1 August 2020	-	4,378,369	6,600	1,019,208	54,531	5,458,708
Charge for the year	-	373,870	2,200	93,250	14,913	484,233
Written off	-	-	-	(780,832)	(15,489)	(796,321)
As at 30 June 2021	<u>-</u>	<u>4,752,239</u>	<u>8,800</u>	<u>331,626</u>	<u>53,955</u>	<u>5,146,620</u>
Net book value						
As at 31 July 2021	<u>15,584,741</u>	<u>20,656,450</u>	<u>2,200</u>	<u>159,245</u>	<u>20,609</u>	<u>36,423,245</u>
As at 31 July 2020	<u>15,584,741</u>	<u>21,030,320</u>	<u>4,400</u>	<u>249,004</u>	<u>35,522</u>	<u>36,903,987</u>

Tangible Fixed Assets College

	Freehold land £	Freehold buildings £	Motor vehicle £	Furniture fittings and equipment £	Kitchen equipment £	Total £
Cost						
As at 1 August 2020	15,584,741	25,852,951	11,000	1,268,212	90,053	42,806,957
Additions at cost	-	-	-	-	-	-
Written off	-	-	-	(780,832)	(15,489)	(796,321)
As at 31 July 2021	<u>15,584,741</u>	<u>25,852,951</u>	<u>11,000</u>	<u>487,380</u>	<u>74,564</u>	<u>42,010,636</u>
Depreciation						
As at 1 August 2020	-	4,378,369	6,600	1,019,208	54,531	5,458,708
Charge for the year	-	373,872	2,200	92,553	14,913	483,538
Written off	-	-	-	(780,832)	(15,489)	(796,321)
As at 30 July 2021	<u>-</u>	<u>4,752,241</u>	<u>8,800</u>	<u>330,929</u>	<u>53,955</u>	<u>5,145,925</u>
Net book value						
As at 31 July 2021	<u>15,584,741</u>	<u>21,100,710</u>	<u>2,200</u>	<u>156,451</u>	<u>20,609</u>	<u>36,864,711</u>
As at 31 July 2020	<u>15,584,741</u>	<u>21,474,582</u>	<u>4,400</u>	<u>249,004</u>	<u>35,522</u>	<u>37,348,249</u>

The insured value of freehold land and buildings as at 31 July 2021 was £37,742,048 (2020: £36,678,830).

The consolidated cost of freehold buildings and assets in construction consists of the costs incurred by the College less the surplus recorded in the accounts of Hughes Hall Limited, a subsidiary undertaking, and eliminated on consolidation.

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

11 Investments Consolidated and College

	2021 £	2020 £
As at 1 August 2020	30,850,921	29,157,417
Additions	3,582,583	11,910,312
Disposals proceeds	(1,933,675)	(13,417,082)
Gains	1,679,472	88,905
Increase in cash balances held at fund managers	678,123	3,111,369
As at 31 July 2021	<u>34,857,424</u>	<u>30,850,921</u>
Represented by:		
Property	667,716	-
Quoted securities - equities	6,360,203	4,728,214
Quoted securities - bonds	9,530,401	8,297,294
Quoted securities - Multi-asset fund	1,380,832	1,304,247
Quoted securities - Alternatives & Funds	1,000,730	1,281,747
Cash in hand	15,917,542	15,239,419
	<u>34,857,424</u>	<u>30,850,921</u>

12 Stocks

	Group 2021 £	College 2021 £	Group 2020 £	College 2020 £
Goods for resale	11,887	11,887	11,920	11,920
Other stocks	3,677	3,677	4,160	4,160
	<u>15,564</u>	<u>15,564</u>	<u>16,080</u>	<u>16,080</u>

13 Trade and other receivables

	Group 2021 £	College 2021 £	Group 2020 £	College 2020 £
Members of the College	228,669	228,669	200,765	200,765
Other receivables	12,270	4,581	6,239	6,239
Prepayments and accrued income	515,730	511,616	827,131	822,421
Amounts owed by subsidiary company	-	151,565	-	118,797
	<u>756,669</u>	<u>896,431</u>	<u>1,034,135</u>	<u>1,148,222</u>

14 Cash and cash equivalents

	Group 2021 £	College 2021 £	Group 2020 £	College 2020 £
Short-term money market investments	317,340	317,340	317,307	317,307
Bank deposits	29,280	29,280	29,280	29,280
Current accounts	1,765,052	1,215,747	1,862,170	1,567,495
Cash in hand	-	-	760	760
Total	<u>2,111,672</u>	<u>1,562,367</u>	<u>2,209,517</u>	<u>1,914,842</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

15 Creditors: amounts falling due within one year

	Group 2021 £	College 2021 £	Group 2020 £	College 2020 £
Bank loan	175,281	175,281	170,387	170,387
Trade creditors	228,878	213,251	328,344	326,329
Members of the College	615,869	615,869	514,230	514,230
University fees	-	-	13,827	13,827
Other taxes and social security	105,753	105,753	81,697	81,697
Accruals and deferred income	458,931	445,840	1,075,363	1,049,258
	<u>1,584,712</u>	<u>1,555,994</u>	<u>2,183,848</u>	<u>2,155,728</u>

16 Creditors: amounts falling due after more than one year

	Group 2021 £	College 2021 £	Group 2020 £	College 2020 £
Long term bank loan	2,989,370	2,989,370	3,164,650	3,164,650
Other loans	17,500,000	17,500,000	17,500,000	17,500,000
	<u>20,489,370</u>	<u>20,489,370</u>	<u>20,664,650</u>	<u>20,664,650</u>

Private Placement Bonds

Private placement money of £4.34 million was borrowed at a fixed interest rate of 4.4% and £3.16 million was borrowed at a fixed interest rate of 4.45%. Of the Bond for £4.34 million, £2.41 million is due for repayment in full on 30 October 2043 and £1.93 million is due for repayment on 30 October 2053. The additional Bond for £3.16 million at 4.45% is repayable in full on 31 January 2044. These Bonds are unsecured.

The College secured a further loan of £10 million at a fixed interest rate of 3.05%. The loan is due for repayment in full on 2 February 2059.

17 Pension provisions Consolidated and College

	CCFPS £	USS £	2021 £	2020 £
Balance at beginning of year	221,875	141,214	363,089	353,778
Movement in year:				
Current service cost	3,811	-	3,811	3,811
Contributions	(9,870)	(7,020)	(16,890)	(21,470)
Change in expected contributions	-	12,994	12,994	(1,944)
Other finance cost	3,248	1,031	4,279	7,992
Actuarial loss	(55,095)	-	(55,095)	20,922
Balance at end of year	<u>163,969</u>	<u>148,219</u>	<u>312,188</u>	<u>363,089</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

18 Endowment funds

Restricted net assets relating to endowments are as follows:

Group and College	Restricted permanent endowments £	Unrestricted permanent endowments £	2021 Total £	2020 Total £
Balance at beginning of year	1,707,325	5,019,539	6,726,864	6,640,731
New donations and endowments	-	-	-	-
Increase/(decrease) in market value of investments	286,058	885,076	1,171,134	86,133
Balance at end of year	<u>1,993,383</u>	<u>5,904,615</u>	<u>7,897,998</u>	<u>6,726,864</u>
Analysis by type of purpose:				
Fellowship Fund	54,057	-	54,057	45,954
Student Support Fund	544,785	-	544,785	463,124
Scholarship	1,309,541	-	1,309,541	1,113,247
Other Funds	85,000	-	85,000	85,000
General endowments	-	5,904,615	5,904,615	5,019,539
	<u>1,993,383</u>	<u>5,904,615</u>	<u>7,897,998</u>	<u>6,726,864</u>
Analysis by asset				
Investments	1,985,604	5,881,574	7,867,178	6,652,367
Cash	7,779	23,041	30,820	74,497
	<u>1,993,383</u>	<u>5,904,615</u>	<u>7,897,998</u>	<u>6,726,864</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

19 Restricted Reserves

Group	Permanent Unspent and Other Restricted Income £	Restricted expendable endowment £	2021 Total £	2020 Total £
Balance at beginning of year	969,626	168,929	1,138,555	1,135,980
New donations	1,881,927	90,114	1,972,041	776,416
Investment income	53,133	2,269	55,402	40,703
Increase in market value of investments	14,988	3,652	18,640	1,140
Expenditure	(1,205,166)	(93,872)	(1,299,038)	(815,684)
Balance at end of year	<u>1,714,508</u>	<u>171,092</u>	<u>1,885,600</u>	<u>1,138,555</u>

Analysis of other restricted funds/ donations by type of purpose:

Fellowship Funds	31,501	-	31,501	29,137
Scholarship Funds	463,340	6,286	469,626	465,584
Prize Funds	15,714	4,735	20,449	13,409
Student Support Funds	211,086	-	211,086	195,768
Other Funds	159,390	160,071	319,461	300,041
Bridge Centres	813,305	-	813,305	130,397
Travel Funds	20,172	-	20,172	4,219
	<u>1,714,508</u>	<u>171,092</u>	<u>1,885,600</u>	<u>1,138,555</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

19 Restricted Reserves (continued)

College	Permanent Unspent and Other Restricted Income £	Restricted expendable endowment £	2021 Total £	2020 Total £
Balance at beginning of year	817,273	168,929	986,202	891,325
New donations	1,872,246	90,114	1,962,360	854,308
Investment income	53,133	2,269	55,402	40,703
Increase in market value of investments	14,988	3,652	18,640	1,140
Expenditure	(1,308,470)	(93,872)	(1,402,342)	(801,274)
Balance at end of year	<u>1,449,170</u>	<u>171,092</u>	<u>1,620,262</u>	<u>986,202</u>

Analysis of other restricted funds/ donations by type of purpose:

Fellowship Funds	31,501	-	31,501	29,137
Scholarship Funds	463,340	6,286	469,626	465,584
Prize Funds	15,714	4,735	20,449	13,409
Student Support Funds	211,086	-	211,086	195,768
Other Funds	17,553	160,071	177,624	147,688
Bridge Centres	689,804	-	689,804	130,397
Travel Funds	20,172	-	20,172	4,219
	<u>1,449,170</u>	<u>171,092</u>	<u>1,620,262</u>	<u>986,202</u>

20 Memorandum of Unapplied Total Return

	2021 £	2020 £
Unapplied Total Return at beginning of year	6,726,864	-
Unapplied Total (Loss)/Return for year (see note 3b)	1,233,438	-
Unapplied Total Return at end of year	<u>7,960,302</u>	<u>-</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

21	Reconciliation of consolidated surplus for the year to net cash inflow from operating activities	2021 £	2020 £
	Surplus for the year	3,975,251	2,277,265
	Adjustment for non-cash items		
	Depreciation	484,233	498,231
	Gain on endowments	(1,679,472)	(88,905)
	Decrease/(increase) in stocks	516	1,692
	Decrease/(increase) in debtors	277,466	(530,078)
	Increase/(decrease) in creditors	(604,022)	321,394
	Increase/(decrease) in provisions	(50,901)	9,311
	Adjustment for investing or financing activities		
	Investment income	(267,658)	(387,297)
	Loan interest payable	93,244	98,549
	Bond interest payable	637,209	638,013
	Net cash inflow from operating activities	<u>2,865,866</u>	<u>2,838,175</u>
22	Cash flows from investing activities	2021 £	2020 £
	Non-current investment disposal	5,100,000	3,200,000
	Net investment income	96,343	82,697
	Endowment funds invested	(7,255,722)	(4,500,000)
	Payments made to acquire non-current assets	(3,492)	(157,711)
	Total cash flows from investing activities	<u>(2,062,871)</u>	<u>(1,375,014)</u>
23	Cash flows from financing activities	2021 £	2020 £
	Loan interest paid	(93,244)	(98,549)
	Bond interest paid	(637,209)	(638,013)
	New secured loans	-	-
	Repayment of amounts borrowed	(170,387)	(165,081)
	Total cash flows from financing activities	<u>(900,840)</u>	<u>(901,643)</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

24 Consolidated reconciliation and analysis of net debt

	At 1 August 2020 £	Cash Flows £	Other non- cash changes £	At 31 July 2021 £
Cash and cash equivalents	2,209,517	(97,845)	-	2,111,672
Borrowings: Amounts falling due within one year				
Bank Loan	(170,387)	(4,894)	-	(175,281)
Borrowings: Amounts falling due after more than one year				
Long term bank loan	(3,164,650)	175,280	-	(2,989,370)
Other loans	(17,500,000)	-	-	(17,500,000)
	<u>(18,625,520)</u>	<u>72,541</u>	<u>-</u>	<u>(18,552,979)</u>

25 Financial Instruments

	2021 £	2020 £
Financial assets		
Financial assets at fair value through Statements of Comprehensive income		
Listed equity investments	18,272,166	15,611,502
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	18,029,214	17,448,936
Debtors	240,939	207,004
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans	20,664,651	20,835,037
Trade creditors	228,878	328,344
Other creditors	721,622	609,754

26 Pension Scheme

In addition to the defined contribution scheme the College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS), and the Cambridge Colleges Federation Pension Scheme (CCFPS). The total pension cost for the year ended 31 July was as follows:

	2021 £	2020 £
USS: Employer Contributions	74,064	73,696
Stakeholder scheme: Employer Contributions	91,120	81,890
	<u>165,184</u>	<u>155,586</u>

Please note the 30 June 2021 date used in Note 26a, University Superannuation Scheme (USS) and Note 26b, Cambridge Colleges Federation Pension Scheme (CCFPS) is based on the report sent for disclosure by the two schemes.

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

26 Pension Scheme (continued)

a. University Superannuation Scheme (USS)

As at the 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since the year end the valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022. Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

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

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the [Statement of Funding Principles \(uss.co.uk\)](#).

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

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

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

	2018 valuation
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post-retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

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

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

	2021	2020
Discount rate	0.87%	0.73%
Pension increase (CPI)	0%	0%

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

26 Pension Scheme (continued)

b. Cambridge Colleges Federation Pension Scheme (CCFPS)

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

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

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

	2021 % p.a.	2020 % p.a.
Discount rate	1.80	1.45
Retail Price Index (RPI) assumption	3.40	3.10
Consumer Price Index (CPI) assumption	2.60	2.20

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

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

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

	2021 £	2020 £
Present value of plan liabilities	(828,143)	(868,740)
Market value of plan assets	664,174	646,865
Net defined benefit (liability)	<u>(163,969)</u>	<u>(221,875)</u>

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

26 Pension Scheme (continued)

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

	2021 £	2020 £
Current service cost	-	-
Administrative expenses	3,811	3,811
Interest on net defined benefit liability	3,248	4,601
Total charge	<u>7,059</u>	<u>8,412</u>

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

	2021 £	2020 £
Present value of plan liabilities at beginning of period	868,740	829,827
Current service cost	-	-
Benefits paid	(35,438)	(34,943)
Interest on plan liabilities	12,341	18,280
Actuarial losses	(17,500)	55,576
Present value of Scheme liabilities at end of period	<u>828,143</u>	<u>868,740</u>

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

	2021 £	2020 £
Market value of plan assets at beginning of period	646,865	627,416
Contributions paid by the College	9,870	9,870
Benefits paid	(35,438)	(34,943)
Administration expenses paid	(4,186)	(4,210)
Interest on plan assets	9,093	13,679
Return on assets, less interest included in profit and loss	37,970	35,053
Market value of Scheme assets at end of period	<u>664,174</u>	<u>646,865</u>
Actual return on plan assets	47,063	48,732

The major categories of plan assets as a percentage of total Scheme assets at 30 June 2021 (with comparative figures at 30 June 2020) are as follows:

	2021	2020
Equities	48%	49%
Bonds & Cash	42%	41%
Properties	10%	10%
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.

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

26 Pension Scheme (continued)

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

	2021	2020
	£	£
Return on assets, less interest included in income and expenditure	37,970	35,053
Expected less actual plan expenses	(375)	(399)
Experience gains and losses arising on plan liabilities	10,371	2,331
Changes in assumptions underlying the present value of plan liabilities	7,129	(57,907)
Remeasurement of net defined benefit liability recognised in OCI	<u>55,095</u>	<u>(20,922)</u>

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

	2021	2020
	£	£
Net defined benefit asset/(liability) at beginning of year	(221,875)	(202,411)
Recognised in Profit and Loss	(7,059)	(8,412)
Contributions paid by the College	9,870	9,870
Remeasurement of net defined benefit liability recognised in OCI	55,095	(20,922)
Net defined benefit asset/(liability) at end of year	<u>(163,969)</u>	<u>(221,875)</u>

Funding Policy

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

The last such actuarial valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £6,111 per annum payable for the period to 31 August 2029.

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

c. Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £ 91,120 (2020: £81,890).

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

27 Principal subsidiary and associated undertakings and other significant investments

Subsidiary Company

At 31 July 2021 Hughes Hall held an investment in the following companies:

Undertaking	Company Numbers	Activity	Incorporation	%
Hughes Hall Limited	03238129	Design and build of new residential accommodation	United Kingdom	100%
Hughes Hall (Hong Kong) Limited	1661877	Providing advancement and promotion of learning and education at Hughes Hall, University of Cambridge	Hong Kong	100%
Hughes Hall Conference Company Limited	00038077	Provision of conference services	United Kingdom	100%
Chapter Zero Limited	12062028	Membership organisation and climate change research	United Kingdom	100%

28 Contingent Liabilities

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

29 Related Party Transactions

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

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

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

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

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

From	To	2021 Number	2020 Number
£1	£10,000	10	9
£10,001	£20,000	-	-
£20,001	£30,000	3	2
£30,001	£40,000	1	-
£40,001	£50,000	3	2
£50,001	£60,000	-	-
£60,001	£70,000	1	2
£70,001	£80,000	-	-
£80,001	£90,000	1	1
£90,001	£100,000	-	-
Total		19	16

The total Trustee salaries were £436,583 for the year (2020: £391,212). No individual Trustee's salary exceeded £100,000 during the year. The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £ for the year £114,724 (2020: £114,245).

HUGHES HALL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

29 Related Party Transactions (continued)

During the year 2 Trustees waived their right to remuneration totalling £13,910 (2019/20: 2 Trustees waived £54,496). The cost of the salaries has been included within these accounts and a matching donation shown within income.

9 Trustees also received grants from the College towards their research totalling £4,219 (2019/20: £5,509) under a new initiative to support Fellows' research.

In the 2020/21 financial year, 3 Trustees were also Trustees/Directors of other organisations which had transactions with Hughes Hall. None of the Hughes Hall trustees had significant control of the other organisation. The value in 2020/21 was £8,772,109 (2019/20: £8,178,232) for the three organisations which were the University of Cambridge, the Cambridge Trust and Cambridge Venue Company Limited.

The College has a number of trading and dormant subsidiary undertakings which are consolidated into these accounts. All subsidiary undertakings are 100% owned by the College and are detailed in note 27.

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.

30 Post Balance Sheet Event

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £259,059 in the provision for the obligation to fund the deficit on the USS pension which would instead be £407,278. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022.

If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £500,030 in the provision for the obligation to fund the deficit on the USS pension which would instead be £648,249.