

million. The Bursar noted that there was an issue regarding with the professional fees being over budget, which will continue to be managed carefully. It was anticipated that an additional £2 million will need to be raised for Phase 1b and for Phase 2 £25 million will need to be raised through donations and contributions from the College. It will be possible to divert some funding from St Regis to Old Court as a result of St Regis being completed under budget by £0.5 million.

(iii) **Welcome to new member**

The Finance Committee formally welcomed the new member, Dr Julia Wolf, and

to the fund. Conference income was in line with the original budget but declined 7%
com

opportunities to reduce staff costs following the introduction of the furlough scheme but these benefits were received in the form of Government grants reported in the other income category. As depreciation and other fixed cost items represent a substantial proportion of non-staff accommodation expenditure, overall accommodation expenditure was only 1.7% less than the 2019-20 budget. There were many more opportunities to reduce non-staff catering costs and as a result total catering expenditure decreased by 9.8% in 2019-20 and was 10.7% less than budget for the year. Finally, with fewer events and less travel, Development Office expenditure decreased by 9.8% to £552,558 and was 16.8% less than budget for the year.

The Finance Committee formally approved the Management Accounts for the year to 30 June 2020.

(vii) **Financial Framework 2020-21**

The Bursar circulated the Financial Framework 2020-21 to the Finance Committee. The Financial Framework anticipates an increase in the size of the operating deficit from a surplus of £823,000 shown in the 2019-20 Management Accounts to a budgeted deficit of £2,844,000 in 2020-21. This increase in the 2020-21 estimated deficit is mainly attributable to COVID-19 and the resulting suspension of all conference activity in the 2020-21 financial year.

The closure of the College in March 2020 resulted in the cancellation of more than

COVID-19 related delays may cause accommodation income to be less than budget in 2020-21.

In the 2021-22 and 2022-23 financial years it is anticipated that the deficit will gradually decrease as conference income and student accommodation income grows. It is estimated that the operating account will be close to break even in 2023-24 when the first phase of the Old Court project is complete and conference activity returns to pre COVID-19 levels. Despite the budgeted deficit of £2,844,000 in 2020-21, the College is projected to have positive cash flow in 2020-21 owing to the receipt of a £5 million COVID-19 loan, but then will turn negative again in 2021-22. The cash flow deficit will increase to £4,173,000 in 2023-24 when the COVID-19 loan must be repaid.

The assumptions upon which the Financial Framework has been developed are that the St Regis redevelopment will cost £12 million and the new accommodation will be made available from December 2020; and the Old Court project will cost £38.6 million and Phase 1 will complete in September 2022. The St Regis redevelopment has been ring-fenced as a project and all expenditure is being funded from the proceeds of the £15 million bond issued in January 2017. Similarly, the Old Court project is also being funded by £25 million of donations and annual grants from the College in to the Old Court Fund. It is therefore appropriate to exclude St Regis and Old Court expenditures when considering the cash flow position of the College. The Financial Framework does take into account the annual grants from the College to the Old Court Fund in its cash flow projections but other expenditure is funded directly from the Old Court fund and is therefore excluded from the cash flow analysis. However, it is important to note that the cash flow forecasts are very sensitive to the assumptions of donation income and over the five year time horizon of the Financial Framework the two greatest risks are that insufficient funds are raised to fund the Old Court project and that Conference income does not recover as fast as projected. The Finance Committee will be invited to consider a long-term strategic plan to eradicate any structural deficit. This may include the sale of assets.

The Finance Committee noted the Financial Framework for the five year period to 2024-25.

The Bursar circulated a paper on the annual report on the Endowment to the Finance Committee. million at the end of June 2019. Having declined to as low as £114 million in March 2020, the value recovered to £129 million at 30 June 2020. Similarly, the 2048 Fund was valued at £34.4 million at 30 June 2019 and having declined to only £29.7 million at 30 March 2020, recovered to £34.4 million at 30 June 2020. It is important to note that the property investment valuations are subject to a degree of uncertainty as a result of COVID-19. The DPFC, CPF and Clipstone funds have provided indicative valuations that have

a. *Employment Status*

