



WOLFSON COLLEGE CAMBRIDGE

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2015**

Registered Charity No. 1138143



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INTRODUCTION

Wolfson College is one of the 31 colleges in the University of Cambridge. It was founded as University College in 1965, and was renamed Wolfson College in 1973, receiving its Royal Charter in 1977. The primary object of the College is to advance education, learning and research in the University of Cambridge.

The College admits both full-time and part-time postgraduate students studying for PhDs and Masters degrees; and full-time mature undergraduates aged 21 or above. The total number of students as at 1 December 2014 was 889. The College has a large Fellowship, which is particularly active in research within the University.

The College occupies a nine-acre site to the west of central Cambridge, consisting of new buildings built since 1972, older houses absorbed into the site and landscaped gardens. The residential buildings include 453 units of accommodation for students, Junior Research Fellows and academic visitors, accommodating over 500 residents in total. Other buildings house a library, a dining hall, seminar rooms, teaching rooms, common rooms, a gym and other shared spaces.

The College is a Registered Charity, regulated by the Charity Commission.

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

SUMMARY FINANCIAL RESULTS

For the first time the accounts consolidate the activities of the College's trading subsidiary, Wolfson College Cambridge Enterprises Limited.

For the financial year from 1 July 2014 to 30 June 2015 the Group result was an operating surplus of £208k.

Total income was £6.62m and expenditure (including depreciation of £0.81m) was £6.42m. The main sources of income were academic fees (£2.33m) and accommodation/catering (£3.23m). The main area of expenditure was staff costs of £3.16m.

The endowment, which is mainly invested in the Cambridge University Endowment Fund (CUEF), was valued at £18.59m at 30 June 2015. In addition, the College held fixed asset investments of £1.45m in the CUEF at the year end, bringing the total of endowment and other investments to over £20m for the first time in the College's history, in its 50th anniversary year. Net assets were £34.49m.

PROFESSIONAL ADVISERS

Auditor

Deloitte LLP
City House
126-130 Hills Road
Cambridge CB2 1RY

Solicitors

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

Bankers

Lloyds Bank plc
Endeavour House
Chivers Way Histon
Cambridge CB24 9ZR

Wolfson College
Barton Road
Cambridge CB3 9BB

Website: www.wolfson.cam.ac.uk

Charity Registration number: 1138143

**CHARITY TRUSTEES**

The members of the College Council act as the Trustees of the charity. The College Council meets at least eight times in a year. In the financial year 2014-15 the following were members of the College Council:

Five College Officers *ex officio*

Professor Sir Richard Evans	President; Chair of the Council
Professor John Naughton	Vice-President
Mr Christopher Lawrence	Bursar; Secretary of the Council
Dr Jane McLarty	Senior Tutor
Ms Karen Stephenson	Development Director

Ten Fellows elected by the Governing Body

Mrs Susan Bowring (to 30 September 2014)	Dr Conrad Guettler (from 1 October 2014)
Dr Raymond Bujdoso	
Dr David Frost	
Dr Kevin Greenbank	
Dr Michael Hrebeniak	
Mrs Anna Jones (to 30 September 2014)	Dr Christina Skott (from 1 October 2014)
Professor Duncan Maskell	
Dr Richard Meiser-Stedman (to 31 October 2014)	Dr Roland Schwarz (from 19 November 2014)
Dr Christopher Town	
Professor Alun Williams	

Three Students from the Wolfson College Student Association (WCSA)

President of WCSA:

Ms Alexandra East (to 15 November 2014)	Miss Danielle White (16 November 2014 - 13 March 2015)
	Mr Eli Keren (from 14 March 2015)

Vice-President of WCSA:

Mr Toby Moncaster (to 15 November 2014)	Mr Eli Keren (16 November 2014 - 13 March 2015)
	Ms Tali Caldecott (from 14 March 2015)

Treasurer of WCSA:

Mr Tiansheng Li (to 31 December 2014)	Mr Eugene Chua (from 1 January 2015)
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The Governing Body, consisting of all Fellows of the College (other than Emeritus, Visiting, Honorary and Bredon Fellows), is required by the College Statutes to be responsible for the approval of the annual audited accounts. There were 123 Governing Body Fellows as at 1 December 2014. The Governing Body meets at least four times in a year. The President is the Chair of the Governing Body and the Bursar is the Secretary.

A full list of the Governing Body Fellows can be found on the College website at:

www.wolfson.cam.ac.uk/fellows/governing-body

The College's corporate governance arrangements are set out on page 13.



OBJECTS

The objects of the College are set out in its Royal Charter, effective from 1 January 1977, as follows:

1. to advance education, learning and research in the University of Cambridge;
2. to provide, for men or women who shall be members of the University, a College wherein they may work for degrees in the University or may carry out postgraduate or other special studies at Cambridge provided that no members of the College or any candidate for membership thereof shall be subject to any test of religious, social, political or racial character;
3. to apply the moneys of the College to the purposes of the College with power to invest as prescribed in the Statutes of the College;
4. to administer any trust or scheme for purposes connected with the objects of the College; and
5. to do all such things as are incidental or conducive to the carrying out of the above objects.

PUBLIC BENEFIT

The College provides, in conjunction with the University of Cambridge, an education which is recognised internationally as being of the highest standard for up to 1,000 undergraduate and postgraduate students. 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, 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.

The College advances research through:

- providing Research Fellowships to outstanding young 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;
- 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 which provides a valuable resource for students and Fellows of the College.

The resident members of the College, both students and Fellows, are the primary beneficiaries and are directly engaged in education, learning or research.

Beneficiaries also include: students and academic staff from other Colleges in Cambridge and the University of Cambridge more widely, visiting academics from other higher education institutions and visiting alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The College offers membership with Senior Member status to distinguished members of the local community without an existing College affiliation; and membership with College Research Associate status to researchers in Cambridge also without an existing College affiliation. The general public is also able to attend various educational activities in the College such as lectures, seminars, exhibitions and concerts.

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:

- there are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects, although the University of Cambridge's Statutes and Ordinances restrict the College to admitting undergraduates who are aged 21 or above; and
- there are no religious restrictions in the College's objects and a wide range of faith traditions are represented in the College membership.

**PUBLIC BENEFIT (continued)**

The College has over 250 part-time postgraduate students and its encouragement of part-time students allows individuals to benefit from a Cambridge education who might not otherwise have access.

The focus of the College is strongly academic and students are required to satisfy high academic entry requirements.

The College receives the following income in respect of students:

- (a) fees at externally regulated rates, charged to UK and EU undergraduates (those eligible for loans from Student Finance) and to postgraduate students; and College fees determined by the College annually, charged to Overseas undergraduates and to other UK and EU undergraduates (those not eligible for loans from Student Finance); and
- (b) accommodation charges and meal charges set at reasonable rates.

In order to assist undergraduates of limited financial means, the College provides bursary support through a scheme operated in common with the University, other Colleges and the Isaac Newton Trust. For the academic year 2014-15, awards totalling £247.9k were made to 51 Wolfson undergraduates (£215.9k to 45 undergraduates in 2013-14): 19 were awarded the maximum mature student bursary of £5,600; 10 were awarded the maximum standard student bursary of £3,500; and a further 22 were awarded an average of £4,840. This scheme is approved by the Office for Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. The scheme is widely advertised on the University website, on College websites and in the Admissions Prospectus.

To support the costs of both undergraduate and postgraduate students, the College provides various scholarships and bursaries, to help fund fees and living costs. The total awarded in 2014-15 was £102.9k to 43 students (£83.3k to 40 students in 2013-14).

The College also supports students through a grant scheme to assist with attendance at conferences and travel grants. The total awarded in 2014-15 was £28.1k to 63 students (£36.2k to 89 students in 2013-14).

In addition to its other programmes, the College operates a hardship scheme for students in financial hardship. The total awarded in 2014-15 was £39.2k to 64 students (£31.3k to 42 students in 2013-14).

The College also awards prizes to its students for academic distinction. The total awarded in prizes in 2014-15 was £10.2k to 34 students (£9.0k to 30 students in 2013-14).

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to Wolfson, the College holds open days, and provides guidance and information for prospective applicants on the College website and through the admissions staff in its Tutorial Office.

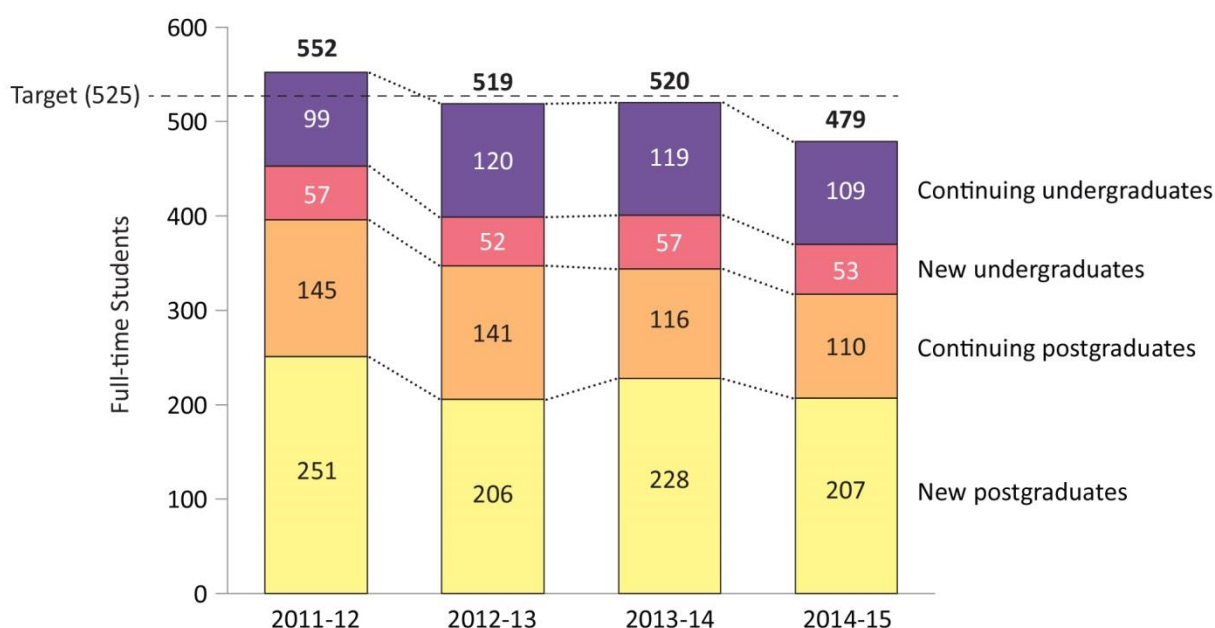
In order to fulfil its charitable purposes of advancing education, learning and research, the College employs a number of its Fellows in the following roles: College Teaching Officers, Supervisors, Directors of Studies, Tutors and senior administrative officers such as Bursar, Senior Tutor and Development Director. Several of these serve as charity trustees through being members of the College Council. The employment of the President and Fellows is undertaken with the intention of furthering the College's aims and their employment directly contributes to the fulfilment of those aims. The private benefit accruing to the President and Fellows through salaries, stipends and employment-related benefits is objectively reasonable, measured against academic stipends generally; moreover annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge.

**OPERATING AND FINANCIAL REVIEW**

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1 Student Numbers

The College admits full-time and part-time postgraduate students studying for PhDs and Masters courses; and full-time mature undergraduate students aged 21 and over. Total student numbers (including part-time postgraduates and postgraduates writing up or under examination) of 889 were somewhat lower than the previous year (935). The key measure is full-time students, and the College has a strategic target of 525 full-time students per year. The following chart shows the figures for full-time students over the past four years as at 1 December in each year:



The target of 525 full-time students is higher than the figures reached in each of the last three years, but is consciously lower than the high of 580 in 2010-11, when the College was unable to accommodate many of its students, including new one-year Masters students from abroad arriving in Cambridge for the first time. The target of 525 breaks down into a target of 375 full-time postgraduates and 150 undergraduates, and there is a clearly stated ambition to increase the number of PhD and other doctoral level students: supporting students at this level is one of the College's fundraising priorities. Annual growth in the number of new PhD students, rather than in one-year Masters students, will increase the total size of the postgraduate student body, given that a PhD student stays for at least three years. PhD student numbers decreased from 201 in 2011-12 to 162 in 2014-15.



OPERATING AND FINANCIAL REVIEW (continued)

Meanwhile, the total number of undergraduates remained above target at 162, and the total full-time student body of 479 was split roughly one-third undergraduates and two-thirds postgraduates. Our part-time postgraduates (267 or 134 FTE this year, and 254 or 127 FTE the previous year) also continued to play an important part in the College's mix of students.

The College has 410 units of student accommodation, mainly for single occupation but some for couples, accommodating up to 430 in total. In addition there are five family flats. The remaining 38 units of accommodation are for visiting academics, part-time students and other short-stay visitors. Not all students want to live in College, but the College aims to offer accommodation to all undergraduates for the duration of their course; to all one-year Masters students; and to PhD students for three years. Accommodation is available to part-time students outside of Full Term.

In the academic year 2014-15, 317 students (356 in 2013-14) graduated as follows:

- 57 (61) with a PhD
- 151 (151) with an MPhil or other full-time one year postgraduate course
- 70 (94) with an MSt or MEd (part-time Masters courses)
- 39 (50) with a BA*, MB, Vet MB or BTh (*including 7 BA+MEng/MSci)

2 Consolidated Income and Expenditure Account

The Income and Expenditure (I&E) account shows an operating surplus of £208k before a net transfer of endowment funds to the I&E of £27k, leading to a surplus retained in general reserves of £235k.

Total income was £6.62m. Academic income, at £2.33m, was slightly higher than in the previous year (£2.21m). Of this total, £1.90m is made up of fees paid by or on behalf of students, as set out in detail in Note 1. Within academic income are included the contributions from the Isaac Newton Trust for Cambridge Bursaries: £236k appears as income from this source, with a corresponding figure in expenditure of £248k, ie there was a net cost to the College of £12k.

Academic income also includes research fellowship support of £119k, made up of: £105k from Rolls-Royce to support an Engineering Fellowship; £6k from the Herchel Smith benefaction to the University for early-career research fellows; £5k for CRASSH Fellowships; and £3k from the Isaac Newton Trust Fellowship scheme.

Residential and catering income, at £3.23m, was slightly higher than the previous year (£3.19m).

There was a further increase in endowment and investment income (from £577k to £632k), mainly as a result of increased investment in the Cambridge University Endowment Fund and the performance of the Fund. Donation income as shown in the I&E (and excluding the release of deferred capital grants) was £383k, up significantly on the previous year's figure of £146k. A detailed explanation of donation income is given in section 6 below.

Total expenditure was £6.42m, including depreciation of £0.81m (representing 12.6% of expenditure). The proportion of total expenditure (excluding depreciation) spent on staff costs was 56.4% (£3.16m). The cost of the three pension schemes on offer to staff (USS, CCFPS, NOW) was £0.43m, representing 13.6% of staff costs.

3 Consolidated Statement of Total Recognised Gains and Losses

The Statement of Total Recognised Gains and Losses (STRGL) shows the movements that affect the balance sheet (other than in respect of new deferred capital grants). Gains included: £253k in donations (new endowments); a capital grant of £621k from the Colleges' Fund; an increase in the market value of the endowment assets of £1.67m; and an increase in the market value of invested reserves of £135k. There was also an actuarial gain of £103k in respect of the CCFPS pension scheme.

**OPERATING AND FINANCIAL REVIEW (continued)****4 Consolidated Balance Sheet**

Net assets excluding pension liabilities increased from £33.17m to £36.09m, while net assets including pension liabilities increased from £31.53m to £34.49m. The endowment was valued at £18.59m (2014: £16.08m), and there was a further £1.45m of fixed asset investments.

A number of capital transactions relating to refurbishment and acquisitions, costing £958k, appear only in the balance sheet and the cash flow statement, and do not appear in the Income and Expenditure account or the STRGL. The totals are shown in note 11, and the details are as follows:

Additions to buildings	£'000	Additions to furniture, fittings, equipment	£'000
Major electrical works	320	IT equipment	369
Refurbishment of MNOP	27	CCTV system replacement	65
VAT re-claim	(3)	Installation of photovoltaic panels	41
		Other	139
sub-total	344	sub-total	614
		Total Additions	958

The College properties had a declared value of £48.66m for insurance purposes.

5 Investments

Since 1 July 2010 the major part of the College's endowment has been invested in the Cambridge University Endowment Fund (CUEF).

The CUEF's investment objective is to achieve or exceed a long run average annual rate of total return equal to the Retail Prices Index (RPI) for each calendar year plus 5.25%, net of investment management costs. The fund has adopted a total return policy, determined by a hybrid rule for its distribution with a long-term rate of 4.25% of capital value. So the investment objective is therefore RPI+1% after distributions and costs.

On 30 June 2015 the College invested a further £1,157k in the CUEF, made up of: £854k of new endowment funds; and £303k of existing endowment funds previously invested with Schroders. No additional fixed asset investments were made in this year.

The College's investments in the CUEF were as follows:

Wolfson College investments in the CUEF	30 June 2015	30 June 2014
Unit value	£46.61	£42.30
Number of units (endowment)	376,769	351,927
Number of units (fixed asset investments)	31,108	31,108
Total number of units	407,877	383,035
Value of units (endowment)	£17.56m	£14.89m
Value of units (fixed asset investments)	£1.45m	£1.31m
Total value of units	£19.01m	£16.20m

The College received distributions totalling £617k (£567k from the endowment units and £50k from the fixed asset investment units), giving a distribution yield of 3.81% on the opening capital value.

The total return for the CUEF for the year to 30 June 2015 was 14.2%. The MSCI All Country World index was up 9.5% for the same period and the FTSE All Share index was up 2.6%. The annualised total return of the Fund from 1 July 2010 to 30 June 2015 was 12.2%, which compares to 8.2% over the same period for its long-term investment objective of RPI + 5.25%. The CUEF had a total fund value of £2.53 billion at 30 June 2015.

**OPERATING AND FINANCIAL REVIEW (continued)**

The asset allocation of the CUEF was as follows:

CUEF asset classes	30 June 2015	30 June 2014
	%	%
Public equity	61	64
Private investment	9	10
Absolute return incl. hedge funds	13	12
Credit	2	3
Real assets incl. property	10	10
Fixed interest/cash	5	1

In addition to its investment in the CUEF, the College still holds endowment funds in two private equity funds with Cazenove Capital Management which were valued at £972k as at 30 June 2015 (2014: £1,126k).

With an additional £61k held in cash, the total value of the endowment as at 30 June 2015 was £18.59m. The sum of endowment funds and fixed asset investments was £20.04m.

6 Fundraising and Alumni Relations

Fundraising is a major part of the role of the Alumni & Development Office, which was established in 2008. Such fundraising is geared towards: the annual fund, for spending in the current year; the endowment, for spending over the longer term; or capital grants, to support building or refurbishment projects. As set out above, the endowment creates a stream of income also for spending in the current year. Donations to the annual fund are shown in the Income and Expenditure (I&E) account, while donations to the endowment ('new endowments') are shown in the Statement of Total Recognised Gains and Losses (STRGL). Donations which are made towards capital projects are shown in Note 19 to the Balance Sheet (and also in Note 23 to the Cash Flow Statement).

Donations in the last two financial years are as follows:

	30 June 2015	30 June 2014
	£'000	£'000
Donations shown in the I&E account (excl. deferred capital grants)	383	146
New endowments shown in the STRGL	253	302
New capital grants shown in the Balance Sheet (Wolfson Foundation)	-	200
New capital grants shown in the Balance Sheet (other)	10	3
Total Donations	646	651

The donations shown in the STRGL and the Balance Sheet were largely from individuals or their private foundations, and include Gift Aid where applicable. The annual grant from the Colleges' Fund (£621k) is shown as a separate line in the STRGL.

The I&E figures are broken down as follows:

Donations in the I&E account	30 June 2015	30 June 2014
	£'000	£'000
Donations (various), including Gift Aid	97	102
Individual bequest	237	-
Cambridge University Press	24	24
Santander Universities (to support students)	15	10
Alborada Trust	10	10
Release of Deferred Capital Grant	43	42
Total Donations in I&E account	426	188



OPERATING AND FINANCIAL REVIEW (continued)

The £253k of new endowments shown in the STRGL included a grant of £63k from the Fairleigh S. Dickinson Jr. Foundation, with the balance of £190k coming from a number of individuals. The remaining £1.05m of the £1.25m grant from the Wolfson Foundation was not called upon in this financial year, but £800k will be drawn down in the second half of the 50th anniversary year 2015 for the major refurbishment of M-N-O-P staircases, with the balance of £250k to be used for the refurbishment of C-D staircases in the summer of 2016.

Such donations, whether made to the annual fund, to the endowment or as capital grants, make a significant difference to what the College can achieve, especially in the area of student support. There were 576 separate donors to the College in 2014-15.

A major initiative by the Alumni & Development Office was the launch in 2008 of the Morrison Society. Membership of the Morrison Society is given to those who have made a pledge to the College in their Will, and enables the College to recognise and thank such supporters in their lifetime. At 30 June 2015 there were 76 members of the Morrison Society.

In terms of alumni relations and communications, the Alumni & Development Office has continued to build relationships with the wider membership of Wolfson. The College now has addresses and other contact details for nearly 12,500 members, of whom more than half live outside of the UK in over 150 different countries around the world. An e-bulletin is emailed to over 9,500 members at the start of each term, and 11,000 copies of each of the *Wolfson Review* and the *Ring True* newsletter were printed and distributed in the course of the year. The Wolfson Network was established in 2009 to allow members to stay in touch with each other and the College, and it now has almost 2,200 members around the world. A reunion weekend for alumni is held each September, and a large number of events for members in the UK and abroad were arranged in the year, especially in the period January to June 2015 to celebrate the 50th anniversary.

7 Principal Financial Risks

The student fees, room rents and catering income from members represent the greatest source of income to the College; accordingly achieving our student number targets is critical to our financial model. Student numbers are currently below the target of 525 full-time students, and any further reduction in student numbers would have an impact on the College's finances. The demand for rooms in College normally always outstrips supply, so any shortfall in student numbers would have to be reasonably significant before affecting rental income. Fee income, however, is more sensitive to shifts in student numbers.

Although there has been a drop in applications by mature undergraduates, the College still has a buoyant undergraduate population, above the target of 150. It is in relation to the postgraduate population that the College has concerns: 317 full-time postgraduates in 2014-15, compared with the target of 375. The postgraduate population in the University has barely increased in recent years, and Wolfson is finding that other Colleges are increasing their share of that static postgraduate population, leading to a reduction in students coming to Wolfson. Although the College continues to attract large numbers of part-time postgraduates (267 in 2014-15), the reduction in the number of full-time postgraduates is a major issue for the College and poses a financial risk, which the Council will monitor closely.

8 Future Plans

The College has developed a five-year Strategic Plan, which is reviewed regularly by the Council and the Governing Body. The College's various committees have regard to this Strategic Plan when formulating policy and making proposals. There is also a ten-year capital plan in place, which is reviewed annually by the Finance Committee.

Since its foundation in 1965, the College has witnessed significant growth and expansion in all respects: the student body, the Fellowship, the estate. The plans for the future will have less visible outcomes, but be no less important. Increasing the funding available for supporting students is a major ambition, and this takes three forms: scholarships and bursaries awarded at the start of a student's career at Wolfson; hardship grants and travel/conference grants during a student's career; and prizes for academic distinction in exams. The endowment is now generating regular income for investment in the current generation of students, thus ensuring inter-generational equity; but more could be achieved with more. Therefore growing the endowment is a key priority and is at the heart of the future plans for Wolfson College. Lastly, maintaining the fabric of the



OPERATING AND FINANCIAL REVIEW (continued)

College is an important aim, and the generous grant from the Wolfson Foundation to refurbish the student accommodation in East and West Courts is playing a major part in this aim.

The College has set up a trading subsidiary (Wolfson College Cambridge Enterprises Limited) which will be the vehicle for growing the commercial side of the College's hospitality services, and to develop new and increased revenue streams including conferencing, all with a view to supporting the core activities of the College, namely education, learning and research.



CORPORATE GOVERNANCE

- 1 The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
- 2 The College is a registered charity (registered number 1138143) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
- 3 The Trustees are advised in carrying out their duties by a number of Committees, including:

Carbon Reduction	Development	Educational Policy
Fellowship & Membership	Finance	Health & Safety
House	Personnel	
- 4 The principal College officers are the President, Vice-President, Bursar, Senior Tutor and Development Director.
- 5 It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Trustees on the appointment of the external Auditor; to consider reports submitted by the Auditor; to monitor the implementation of recommendations made by the Auditor; to monitor risk management and control arrangements; and to make regular reports to the Trustees by way of minutes of its meetings. Membership of the Finance Committee includes all the principal College officers, other members of the Governing Body and the Emeritus Fellowship, the Finance Manager and two officers of the Student Association.
- 6 Three members of the Governing Body, who are not members of the Finance Committee, are elected by the Governing Body to act as Inspectors of Accounts to serve a three-year term, with annual rotation of one Inspector.
- 7 There is a Register of Interests of Trustees. Declarations of interest are made systematically at all Governing Body, Council and committee meetings.

The College's Trustees during the year ended 30 June 2015 are set out on page 4.

STATEMENT OF INTERNAL CONTROL

- 1 The Trustees are responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.
- 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 against material misstatement or loss.
- 3 The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2015 and up to the date of approval of the financial statements.
- 4 The Trustees are responsible for reviewing the effectiveness of the system of internal control.
- 5 The Trustees' review of the effectiveness of the system of internal control is informed by the work of the various Committees, the Bursar, and the College officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditor in their management letter and other reports.



RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body is responsible for preparing the Annual Report and Accounts 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 Governing Body is required to:

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

The 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.

The 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.



INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF WOLFSON COLLEGE

We have audited the financial statements of Wolfson College for the year ended 30 June 2015 which comprise the statement of principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheets, the consolidated cash flow statement, the reconciliation of net cash flow to movement in net funds and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice: Accounting for Further and Higher Education.

This report is made solely to the Governing Body in accordance with the College's Statutes, the Statutes of the University of Cambridge, section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's Governing Body those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Body and auditor

As explained more fully in the Responsibilities of the Governing Body on page 14, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the College's Governing Body; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the College's affairs as at 30 June 2015 and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge.



INDEPENDENT AUDITOR'S REPORT (continued)

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

In our opinion:

- The contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge; and
- in all material respects, income during the year ended 30 June 2015 has been applied in accordance with the University's statutes.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the Higher Education Funding Council for England Audit Code of Practice or the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Operating and Financial Review is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge UK
11 November 2015

Deloitte LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006 and consequently to act as the auditor of a registered charity.



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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 (the SORP).

The consolidated income and expenditure account includes activity analysis in order to demonstrate that the Group is satisfying its obligations to the University of Cambridge with regard to the use of public funds. The analysis required by the SORP is set out in note 8.

Basis of accounting

The financial statements have been prepared under the historic cost convention, modified in respect of the treatment of investments which are included at valuation, and in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The consolidated financial statements include the College and its active subsidiary undertaking, Wolfson College Cambridge Enterprises Limited (formerly Wolfson College Cambridge Properties Limited). The financial statements of the College's two other subsidiary companies, Lee Library Limited and Wolfson College Development Limited, have not been consolidated in the financial statements because they are dormant. The activities of student societies have not been consolidated, because they are separate bodies which are not within the control of the College.

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.

Restricted grant income

Grants received for restricted purposes are recognised as income to the extent that relevant expenditure has been incurred.

Donations and benefactions

Donations are recognised on receipt or where there is certainty of future receipt and the value can be measured reliably. The accounting treatment of a donation depends on the nature and extent of restrictions specified by the donor. Donations which are to be retained for the future benefit of the College, other than for the acquisition or construction of tangible fixed assets, are recognised in the statement of total recognised gains and losses as new endowments. All other donations are recognised as income in the income and expenditure account.

Capital grants and donations

Grants and donations are received for the purposes of funding the acquisition and construction of tangible fixed assets. In the case of depreciable assets these are credited to deferred capital grants and released to income over the estimated useful life of the respective assets in line with the depreciation policy. Grants and donations of, or for the acquisition of, freehold land or heritage assets, which are non-depreciable assets, are credited to the income and expenditure account in the year of acquisition.

Other income

Income is received from a range of activities including residences, catering and other services rendered. It is recognised in the period to which it relates.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)****Endowment and investment income**

All investment income is credited to the income and expenditure account in the period in which it is earned on an accruals basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments.

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

Tangible fixed assets**Land and buildings**

Land and buildings are stated at cost. Freehold buildings are depreciated on a straight line basis over their expected useful economic life of 50 years (2% per annum). Freehold land is not depreciated.

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

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

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

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

Maintenance of premises

The Group has a rolling maintenance plan, which is reviewed on an annual basis. The cost of routine maintenance is charged to the Income and Expenditure account as it is incurred. The Group also has a major renewal programme, the costs of which are treated as capital improvements which bear upon the cost of buildings.

Equipment

Assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10 years (10% per annum)
General equipment	5 years (20% per annum)
Computer equipment	4 years (25% per annum)

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

Leased assets

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the lease. The excesses of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Rental costs under operating leases are charged to expenditure in equal amounts over the periods of the leases.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Heritage assets

The Group holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. In accordance with FRS 15 and FRS 30 (Heritage assets) heritage assets acquired before 1 July 1999 do not have to be capitalised since reliable estimates of cost or value are often not available on a cost-benefit basis. However, acquisitions both before and since 1 July 1999 have been capitalised at cost or, in the case of donated assets, at expert valuation. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Fixed asset investment and endowment assets are included in the balance sheet at market value. Investment income is recognised as and when dividends and interest become receivable. Interest on bank deposits is included as earned.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Provisions

Provisions are recognised when the Group 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. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Taxation

The College is a registered charity (number 1138143) and also a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 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 College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

Pension costs

The College participates in two defined benefit schemes, the Universities Superannuation Scheme (USS) and the Cambridge Colleges Federated Pension Scheme (CCFPS); and one defined contribution scheme (NOW:Pensions).

The USS is a defined benefit scheme which is externally funded and 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 College 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 FRS 17 'Retirement Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Income and Expenditure Account represents the contributions payable to the scheme in respect of the accounting period.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)**

The CCFPS is a defined benefit scheme, which is contracted into the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. The College is able to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and an FRS 17 valuation is obtained as at 30 June annually. The amount charged to the Income and Expenditure Account represents the amount calculated under FRS17 guidelines and the College's net liability is shown in the Balance Sheet.

The College contributes to a defined contribution pension scheme (NOW: Pensions). For defined contribution schemes the amount charged to the Consolidated Income and Expenditure Account is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either debtors or creditors in the Consolidated Balance Sheet.

Going concern

The Group's activities and financial position, together with the factors likely to affect its future development, performance and position, are set out in the Operating and Financial Review which forms part of the Annual Report. The Governing Body has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT****For the year ended 30 June**

	Note	2015 £'000	2014 £'000
Income			
Academic fees and charges	1	2,334	2,209
Residences, catering and conferences	2	3,232	3,193
Endowment and investment income	3	632	577
Donations	4	426	188
Total Income		6,624	6,167
Expenditure			
Education	5	2,854	2,491
Residences, catering and conferences	6	3,270	3,324
Other expenditure	7	292	307
Total Expenditure	8	6,416	6,122
Surplus on continuing operations		208	45
Deficit for the year transferred from accumulated income in endowment funds	20	27	27
Surplus for the year retained within general reserves	21	235	72

Total expenditure includes depreciation of £810k (2014: £724k).

All items dealt with in arriving at the surplus for 2015 and 2014 relate to continuing operations.

There is no difference between the result for the year and the result on an historic cost basis.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

For the year ended 30 June		2015	2015	2015	2014
		Restricted	Unrestricted	Total	Total
	Note	Funds	Funds		
		£'000	£'000	£'000	£'000
Surplus on income and expenditure account		-	235	235	72
Overspent endowment fund income	20	(27)	-	(27)	(27)
Increase in market value of investments:					
- Endowment investments	20	272	1,395	1,667	812
- Fixed asset investments	21	-	135	135	69
New endowments	20	78	175	253	302
Capital grant from Colleges' Fund	20	-	621	621	597
Actuarial gain/(loss) in pension scheme	18	-	103	103	(333)
Total recognised gains for the year		323	2,664	2,987	1,492
Reconciliation					
Opening reserves and endowments		2,663	27,112	29,775	28,283
Total recognised gains for the year		323	2,664	2,987	1,492
Closing reserves and endowments		2,986	29,776	32,762	29,775

The above figures exclude Deferred Capital Grants of £1,725,000 (2014: £1,758,000), shown on the Balance Sheet.

**CONSOLIDATED BALANCE SHEET**

As at 30 June		2015 £'000	2014 £'000		
	Note				
Fixed Assets					
Tangible assets	11	15,921	15,773		
Investments	12	1,450	1,315		
		17,371	17,088		
Endowment Assets					
Investments	13	18,532	16,011		
Cash at bank and in hand	15	61	68		
		18,593	16,079		
Current Assets					
Stocks		78	57		
Debtors	14	346	260		
Short-term investments	15	1,407	1,301		
Cash at bank and in hand	15	470	449		
		2,301	2,067		
Creditors: amounts falling due within one year	16	(971)	(863)		
Net Current Assets		1,330	1,204		
Creditors: amounts falling due after more than one year	17	(1,200)	(1,200)		
Net Assets Excluding Pension Liability		36,094	33,171		
Pension liability	18	(1,607)	(1,638)		
Net Assets Including Pension Liability		34,487	31,533		
Represented by:		Restricted Funds £'000	Unrestricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Deferred Capital Grants	19	1,725	-	1,725	1,758
Endowments					
Expendable funds		1,513	-	1,513	1,365
Permanent funds		1,473	15,607	17,080	14,714
Total Endowments	20	2,986	15,607	18,593	16,079
Reserves					
General reserves excluding pension reserve		-	15,370	15,370	15,063
Pension reserve		-	(1,607)	(1,607)	(1,638)
Fixed asset investment revaluation reserve		-	406	406	271
Total Reserves	21	-	14,169	14,169	13,696
Total Reserves and Endowments		2,986	29,776	32,762	29,775
Total Funds		4,711	29,776	34,487	31,533

The financial statements were approved by the Governing Body on 11 November 2015 and signed on its behalf by:

Christopher Lawrence, Bursar

**COLLEGE BALANCE SHEET**

As at 30 June	Note	2015 £'000	2014 £'000		
Fixed Assets					
Tangible assets	11	15,921	15,773		
Investments	12	1,450	1,315		
		17,371	17,088		
Endowment Assets					
Investments	13	18,532	16,011		
Cash at bank and in hand	15	61	68		
		18,593	16,079		
Current Assets					
Stocks		78	57		
Debtors	14	390	260		
Short-term investments	15	1,407	1,301		
Cash at bank and in hand	15	418	449		
		2,293	2,067		
Creditors: amounts falling due within one year	16	(964)	(863)		
Net Current Assets		1,329	1,204		
Creditors: amounts falling due after more than one year	17	(1,200)	(1,200)		
Net Assets Excluding Pension Liability		36,093	33,171		
Pension liability	18	(1,607)	(1,638)		
Net Assets Including Pension Liability		34,486	31,533		
Represented by:					
		Restricted Funds £'000	Unrestricted Funds £'000	Total 2015 £'000	Total 2014 £'000
Deferred Capital Grants	19	1,725	-	1,725	1,758
Endowments					
Expendable funds		1,513	-	1,513	1,365
Permanent funds		1,473	15,607	17,080	14,714
Total Endowments	20	2,986	15,607	18,593	16,079
Reserves					
General reserves excluding pension reserve		-	15,369	15,369	15,063
Pension reserve		-	(1,607)	(1,607)	(1,638)
Fixed asset investment revaluation reserve		-	406	406	271
Total Reserves	21	-	14,168	14,168	13,696
Total Reserves and Endowments		2,986	29,775	32,761	29,775
Total Funds		4,711	29,775	34,486	31,533

The financial statements were approved by the Governing Body on 11 November 2015 and signed on its behalf by:

Christopher Lawrence, Bursar

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 30 June	Note	2015 £'000	2014 £'000
Net cash inflow from operating activities	22	474	328
Returns on investments and servicing of finance	23	574	520
Capital expenditure and financial investment	23	(928)	(625)
Cash inflow before management of liquid resources		120	223
Management of liquid resources			
Increase in short-term investments	15	(106)	(201)
Increase in cash in the year		14	22
Reconciliation of net cash flow to movement in net funds			
Increase in cash in year		14	22
Management of liquid resources		106	201
Change in net funds		120	223
Net funds at beginning of year		1,818	1,595
Net funds at end of year	24	1,938	1,818

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

1 Academic Fees and Charges	2015 £'000	2014 £'000
Fee Income		
Undergraduate rate of £4,500 / £4,185 (2014 £4,500 / £4,068)*	443	466
Undergraduate rate of £5,850 / £5,615 / £5,380 (2014 £5,400 / £5,120)**	366	382
Graduate rate of £2,474 (2014 £2,424)	1,090	951
Other Income		
Research fellow support	119	139
Cambridge Bursaries	236	203
Teaching and other income	42	44
College courses	38	24
Total	2,334	2,209
<p>* This rate is received for UK and EU students who are eligible for Student Finance loans. The lower rate of £4,185 (2014: £4,068) was received for students who started their course before 2012. Such students are sometimes referred to as 'publicly funded'.</p> <p>** This rate is paid by Overseas students and those UK and EU students not eligible for Student Finance loans. The lower rate of £5,615 was received for students who started their course in 2013 and the rate of £5,380 was received for students who started their course before 2013. Such students are sometimes referred to as 'privately funded'.</p>		
2 Residences, Catering and Conferences	2015 £'000	2014 £'000
Accommodation		
College members	2,634	2,636
Conferences	130	88
Catering		
College members	392	401
Conferences	76	68
Total	3,232	3,193
3 Endowment and Investment Income	2015 £'000	2014 £'000
Income from:		
Unquoted securities - unit trust *		
- endowment assets	567	507
- fixed asset investments	50	43
Cash	15	27
Total	632	577

* invested in Cambridge University Endowment Fund units

**NOTES TO THE ACCOUNTS****For the year ended 30 June**

4	Donations	2015 £'000	2014 £'000
	Unrestricted donations	294	69
	Restricted donations	89	77
	Release of deferred capital grants	43	42
	Total	426	188
5	Education Expenditure	2015 £'000	2014 £'000
	Teaching	797	745
	Tutorial	600	454
	Admissions	163	154
	Research	346	250
	Scholarships and awards	180	160
	Cambridge Bursaries	248	216
	Other educational facilities	516	509
	College courses	4	3
	Total	2,854	2,491
6	Residences, Catering and Conferences Expenditure	2015 £'000	2014 £'000
	Accommodation		
	College members	2,099	2,030
	Conferences	103	68
	Catering		
	College members	1,007	1,104
	Conferences	61	122
	Total	3,270	3,324
7	Other Expenditure	2015 £'000	2014 £'000
	Development and alumni relations	234	250
	Loan interest	58	57
	Total	292	307

Expenditure on all activities in notes 5, 6 and 7 includes both direct costs and an allocation of overheads.

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

8a Analysis of Expenditure by Activity

		Staff Costs (note 9)	Other Operating Expenses	Depreciation	Total
		2015	2015	2015	2015
	Note	£'000	£'000	£'000	£'000
Education	5	1,383	1,145	326	2,854
Residences, catering and conferences	6	1,622	1,169	479	3,270
Other	7	156	131	5	292
		3,161	2,445	810	6,416
		2014	2014	2014	2014
		£'000	£'000	£'000	£'000
Education	5	1,245	1,025	221	2,491
Residences, catering and conferences	6	1,623	1,202	499	3,324
Other	7	159	144	4	307
		3,027	2,371	724	6,122

8b Auditor's Remuneration

	2015	2014
	£'000	£'000
Other Operating Expenses include:		
Audit fees payable to the Group's external auditor (including VAT)	23	19

9 Staff Costs

	College Fellows	Non- Academic	Total 2015	Total 2014
	£'000	£'000	£'000	£'000
Staff Costs:				
Salaries	550	2,017	2,567	2,465
Social security costs	41	126	167	162
Other pension costs	76	351	427	400
	667	2,494	3,161	3,027

Average Staff Numbers (full time equivalents):

Academic	9	-	9	10
Non-academic	2	86	88	87
	11	86	97	97

There were 123 Fellows (excluding the President) in the Governing Body as at 1 December 2014, 24 of whom were stipendiary, as declared above.

No officer or other employee of the College, including the President, received salaries of over £100,000.

10 Surplus attributable to the College

The surplus for the financial year dealt with in the financial statements of the College was £234k (2014: £72k). No separate income and expenditure account is presented in respect of the College.

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

**11 Tangible Fixed Assets
Group and College**

	Freehold Buildings £'000	Furniture, Fittings and Equipment £'000	Heritage Assets £'000	Total 2015 £'000	Total 2014 £'000
Cost					
At beginning of year	23,165	2,823	365	26,353	25,777
Additions at cost	344	614	-	958	668
Disposals	-	(20)	-	(20)	(92)
Cost at end of year	23,509	3,417	365	27,291	26,353
Depreciation					
At beginning of year	8,715	1,865	-	10,580	9,948
Charge for the year	470	340	-	810	724
Disposals	-	(20)	-	(20)	(92)
Depreciation at end of year	9,185	2,185	-	11,370	10,580
Net Book Value					
As at 30 June 2015	14,324	1,232	365	15,921	
As at 30 June 2014	14,450	958	365	15,773	

The declared value of freehold buildings for insurance purposes as at 30 June 2015 was £48,661,209 (2014: £48,179,415).

Heritage Assets

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the Statement of Principal Accounting Policies, heritage assets acquired since 1 July 1999 have been capitalised. The College has also capitalised heritage assets acquired prior to 1 July 1999, using valuations and estimates obtained when the capitalisation took place in 2008-09.

There have been no material acquisitions in the current year, or in the prior four years.

Capital Commitments

	Group and College	
	2015 £'000	2014 £'000
Capital expenditure contracted but not provided for	960	-

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

12 Fixed Asset Investments

	Group and College	
	2015	2014
	£'000	£'000
Balance at beginning of year	1,315	1,096
Additions	-	150
Appreciation	135	69
Balance at end of year	1,450	1,315
Represented by:		
Unquoted securities - unit trust	1,450	1,315

13 Endowment Asset Investments

	Group and College	
	2015	2014
	£'000	£'000
Balance at beginning of year	16,011	14,290
Additions	854	909
Appreciation	1,667	812
Balance at end of year	18,532	16,011
Represented by:		
Unquoted securities - unit trust	17,560	14,885
Unquoted securities - equities	972	1,126
Total	18,532	16,011

14 Debtors

	Group	Group	College	College
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Members of the College	123	117	123	117
Amounts due from subsidiary undertakings	1	1	54	1
Other debtors	141	85	132	85
Prepayments and accrued income	81	57	81	57
Total	346	260	390	260

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

15 Short-term Investments and Cash and Bank Balances	Group 2015 £'000	Group 2014 £'000	College 2015 £'000	College 2014 £'000
Short-term money market investments	300	800	300	800
Short-term bank deposits	1,107	501	1,107	501
Total short-term investments	1,407	1,301	1,407	1,301
Bank deposits	415	455	415	455
Bank current accounts	115	61	63	61
Cash in hand	1	1	1	1
Less cash held in endowment assets	(61)	(68)	(61)	(68)
Total cash and bank balances	470	449	418	449
16 Creditors: amounts falling due within one year	Group 2015 £'000	Group 2014 £'000	College 2015 £'000	College 2014 £'000
Trade creditors	461	372	461	372
Members of the College	233	220	233	220
University fees	42	90	42	90
Other creditors (PAYE, NI, VAT)	69	68	66	68
Accruals and deferred income	166	113	162	113
Total	971	863	964	863
17 Creditors: amounts falling due after more than one year	Group and College			
	2015 £'000	2014 £'000		
Bank loan	1,200	1,200		
Interest is payable on the loan at 4.8%. The loan is repayable in August 2048.				
18 Pension Liabilities (see note 25)	Group and College			
	2015 £'000	2014 £'000		
Balance at beginning of year	1,638	1,229		
Movement in the year:				
Current service cost	186	183		
Contributions	(123)	(118)		
Other finance cost	9	11		
Actuarial (gain) / loss recognised in the Statement of Total Recognised Gains and Losses	(103)	333		
Balance at end of year	1,607	1,638		

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

19 Deferred Capital Grants					Group and College	
					2015	2014
					£'000	£'000
Balance at beginning of year					1,758	1,597
Donations received					10	203
Released to income and expenditure account					(43)	(42)
Balance at end of year					1,725	1,758

20 Endowments					Group and College	
					Total	Total
					2015	2014
					£'000	£'000
Unrestricted Permanent £'000					Restricted Permanent £'000	Total Permanent £'000
Restricted Permanent £'000					Restricted Expendable £'000	Total Expendable £'000
Total Permanent £'000					Total Expendable £'000	Total £'000
Balance at beginning of year						
Capital	13,416	1,281	14,697	1,318	16,015	14,304
Unspent income	-	17	17	47	64	91
	13,416	1,298	14,714	1,365	16,079	14,395
New endowments received	796	38	834	40	874	899
Income receivable from endowment investments	476	45	521	46	567	507
Expenditure	(476)	(42)	(518)	(76)	(594)	(534)
Net transfer from / (to) income and expenditure account	-	3	3	(30)	(27)	(27)
Increase in market value of investments	1,395	134	1,529	138	1,667	812
Balance at end of year						
Capital	15,607	1,453	17,060	1,496	18,556	16,015
Unspent Income	-	20	20	17	37	64
Total	15,607	1,473	17,080	1,513	18,593	16,079
Representing:						
Fellowship Funds	-	-	-	444	444	425
Scholarship Funds	1,354	177	1,531	753	2,284	1,909
Prize Funds	-	51	51	3	54	42
Hardship Funds	-	704	704	59	763	676
Bursary Funds	-	74	74	111	185	129
Travel Grant Funds	-	42	42	-	42	39
Library Funds	-	282	282	3	285	259
Other Funds	-	143	143	140	283	256
General	14,253	-	14,253	-	14,253	12,344
Total	15,607	1,473	17,080	1,513	18,593	16,079

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

21 Reserves

Group	General Reserves £'000	Fixed Asset Investment Revaluation Reserve £'000	Total 2015 £'000	Total 2014 £'000
Balance at beginning of year	13,425	271	13,696	13,888
Surplus retained for the year	235	-	235	72
Actuarial gain / (loss) on pension scheme	103	-	103	(333)
Increase in market value of investments	-	135	135	69
Balance at end of year	13,763	406	14,169	13,696

College	General Reserves £'000	Fixed Asset Investment Revaluation Reserve £'000	Total 2015 £'000	Total 2014 £'000
Balance at beginning of year	13,425	271	13,696	13,888
Surplus retained for the year	234	-	234	72
Actuarial gain / (loss) on pension scheme	103	-	103	(333)
Increase in market value of investments	-	135	135	69
Balance at end of year	13,762	406	14,168	13,696

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

22	Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities	2015 £'000	2014 £'000	
	Surplus on continuing operations	208	45	
	Depreciation of tangible fixed assets	810	724	
	Deferred capital grants released to income	(43)	(42)	
	Investment income	(632)	(577)	
	Interest payable	58	57	
	Pension costs less contributions payable	72	76	
	(Increase) / decrease in stocks	(21)	6	
	(Increase) / decrease in debtors	(86)	48	
	Increase / (decrease) in creditors	108	(9)	
	Net cash inflow from operating activities	474	328	
23	Cash Flows	2015 £'000	2014 £'000	
	Returns on investments and servicing of finance			
	Endowment and investment income received	632	577	
	Interest paid	(58)	(57)	
	Net cash inflow from returns on investments and servicing of finance	574	520	
	Capital expenditure and financial investment			
	Purchase of tangible fixed assets	(958)	(668)	
	Deferred capital grants received	10	203	
	New endowments received	253	302	
	Capital grant received from Colleges' Fund	621	597	
	Net purchase of long-term investments	(854)	(1,059)	
	Net cash outflow from capital expenditure and financial investment	(928)	(625)	
24	Analysis of Net Funds	At beginning of year £'000	Cash flows £'000	At end of year £'000
	Endowment cash assets	68	(7)	61
	Current cash assets	449	21	470
		517	14	531
	Short-term Investments	1,301	106	1,407
	Net funds	1,818	120	1,938

**NOTES TO THE ACCOUNTS****25 Pension Schemes**

The College participates in two defined benefit schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS) and the Universities Superannuation Scheme (USS).

25a Cambridge Colleges Federated Pension Scheme

The Cambridge Colleges' Federated Pension Scheme is a multi-employer defined benefits scheme. A full valuation was undertaken as at 31 March 2014 and updated to 30 June 2015 by a qualified independent Actuary.

The principal assumptions at the balance sheet date (expressed as weighted averages) were:

	June 2015	June 2014
Discount rate	3.7%	4.2%
Expected long-term rate of return on scheme assets	3.7%	6.2%
Increase in salaries	2.75%**	2.8%*
Retail Prices Index (RPI) assumption	3.25%	3.3%
Consumer Prices Index (CPI) assumption	2.25%	2.3%
Pension increases (RPI linked)	3.25%	3.3%
Pension increases (RPI linked capped at 5% pa)	3.05%	3.1%

*1.5% in 2014 to 2016; 2.8% thereafter

**1.5% in years 2015 and 2016; 2.75% thereafter

The underlying mortality assumption is based upon the standard table known as S2 mortality tables for average normal pensioners projected in line with the CMI 2014 projection and a target long-term improvement rate of 1.0% p.a. (2014: same base table and an allowance for improvements using the CMI_2013 projection table with a long term improvement rate of 1.0% p.a.) This results in the following life expectancies:

- Male age 65 now has a life expectancy of 22.3 years (previously 22.3);
- Female age 65 now has a life expectancy of 24.4 years (previously 24.3);
- Male age 45 now and retiring in 20 years would have a life expectancy then of 23.6 years (previously 23.6);
- Female age 45 now and retiring in 20 years would have a life expectancy then of 25.9 years (previously 25.8).

The amounts recognised in the balance sheet as at 30 June are as follows:

	June 2015 £'000	June 2014 £'000
Present value of scheme liabilities	(5,071)	(4,677)
Market value of scheme assets	3,464	3,039
Deficit in the scheme	(1,607)	(1,638)

The amounts recognised in income and expenditure for the year ending 30 June are:

	June 2015 £'000	June 2014 £'000
Current service cost	186	183
Interest on scheme liabilities	198	192
Expected return on scheme assets	(189)	(181)
Total	195	194
Actual return on scheme assets	419	175

**NOTES TO THE ACCOUNTS****25a Cambridge Colleges Federated Pension Scheme (continued)**

Changes in the present value of the scheme liabilities for the year ending 30 June are:

	June 2015	June 2014
	£'000	£'000
Present value of scheme liabilities at beginning of year	4,677	4,180
Service cost (including employee contributions)	195	192
Interest cost	198	192
Actuarial losses	127	327
Benefits paid	(126)	(214)
Present value of scheme liabilities at end of year	5,071	4,677

Changes in the fair value of the scheme assets for the year ending 30 June are:

	June 2015	June 2014
	£'000	£'000
Market value of scheme assets at beginning of year	3,039	2,951
Expected return	189	181
Actuarial gains / (losses)	230	(6)
Contributions paid by the College	123	118
Employee contributions	9	9
Benefits paid	(126)	(214)
Market value of scheme assets at end of year	3,464	3,039

The expected contributions to be paid by the College for the forthcoming year are:

- From 1 July 2015 to 31 March 2016, 18.06% of Contribution Pay for non-salary sacrifice members (22.06% of Contribution Pay for salary sacrifice members);
- From 1 April 2016 to 30 June 2016, 19.22% of Contribution Pay for non-salary sacrifice members (23.22% of Contribution Pay for salary sacrifice members).

In addition, the College will pay recovery plan payments of £34,697 and expenses of £13,032.

The above rates exclude PHI and are subject to review at future actuarial valuations.

The major categories of scheme assets as a percentage of total scheme assets at 30 June are as follows:

	2015	2014
Equities & Hedge Funds	69%	70%
Bonds & Cash	25%	23%
Property	6%	7%
Total	100%	100%

The expected long-term rate of return on the scheme assets has been set in line with the discount rate, i.e. 3.7%.

**NOTES TO THE ACCOUNTS****25a Cambridge Colleges Federated Pension Scheme (continued)**

Amount recognisable in statement of total recognised gains and losses (STRGL) for the year ending 30 June:

	June 2015	June 2014
	£'000	£'000
Actual return less expected return on scheme assets	230	(6)
Experience gains and losses arising on scheme liabilities	81	(36)
Changes in assumptions underlying the present value of scheme liabilities	(208)	(291)
Actuarial gain / (loss) recognised in STRGL	103	(333)

The cumulative amount of actuarial gains and losses recognised in the statement of recognised gains and losses for the year ending 30 June are:

	June 2015	June 2014
	£'000	£'000
Cumulative actuarial loss at beginning of year	(1,512)	(1,179)
Recognised during the year	103	(333)
Cumulative actuarial loss at end of year	(1,409)	(1,512)

Amounts for the current and previous four accounting periods are:

	2015	2014	2013	2012	2011
	£'000	£'000	£'000	£'000	£'000
Present value of scheme liabilities	(5,071)	(4,677)	(4,180)	(3,455)	(3,073)
Market value of scheme assets	3,464	3,039	2,951	2,614	2,839
Deficit in the scheme	(1,607)	(1,638)	(1,229)	(841)	(234)
Actual return less expected return on scheme assets	230	(6)	167	(496)	190
Experience gains and losses arising on scheme liabilities	81	(36)	(15)	(80)	(22)
Changes in assumptions underlying the present value of scheme liabilities	(208)	(291)	(481)	(59)	318

25b Universities Superannuation Scheme**Pension Costs**

The College participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The College is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the College's employees. In 2015, the percentage was 16% (2014: 16%). The College 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 FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the income and expenditure account is £226,643 (2014: £211,355). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

**NOTES TO THE ACCOUNTS****25b Universities Superannuation Scheme (continued)**

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

The unaudited 2014 valuation was the third valuation for USS 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 £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

FRS 17 liability numbers have been produced using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	S1NA ["light"] YoB tables – No age rating
Female members' mortality	S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6

	2015	2014
Existing benefits		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

Contingent Liabilities and Assets

A contingent liability exists in relation to the pension valuation recovery plan, since the College is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet.

**NOTES TO THE ACCOUNTS****26 Subsidiary Undertakings**

The College's subsidiary undertakings, all of which are companies incorporated in the United Kingdom, are as follows:

Undertaking	Activity	Holding	%
Wolfson College Cambridge Enterprises Limited (formerly Wolfson College Cambridge Properties Limited)	The provision of conferences and events at Wolfson College, Cambridge.	1 ordinary share of £1	100%
Wolfson College Development Limited	Dormant	1,000 ordinary shares of £1 each	100%
Lee Library Limited	Dormant	2 ordinary shares of £1 each	100%

27 Related Party Transactions

Owing to the nature of the College's operations and the composition of its Governing Body it is inevitable that transactions will take place with organisations in which a member of the Governing Body 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.