

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010



Contents	Page
Financial Review	3
Responsibilities of the Governing Body	5
Independent Auditors' Report	6
Statement of Principal Accounting Policies	7
Definition of Terms	9
Income and Expenditure Account	10
Statement of Total Recognised Gains and Losses	11
Balance Sheet	12
Cash Flow Statement	13
Notes to the Accounts	14



FINANCIAL REVIEW

Summary

This year's result is a surplus of £375k before depreciation of £1,145k and a deficit of £770k after depreciation. The balance sheet is stronger by £479k over the previous year, at £53.4m.

Income and Expenditure Account

Income, at £5,012k, is £146k higher than in the previous year. Donations which are deemed to be unrestricted are included in the Income & Expenditure account (£190k of the Other income total of £248k); whereas donations, which are deemed to be restricted, do not appear here and instead are included in the Statement of Total Recognised Gains and Losses (STRGL), thus adding to the balance sheet. The figure for Endowment income represents the investment income (dividends and interest) deriving from only the unrestricted funds in the endowment, together with interest earned on bank balances, and does not reflect any capital growth in the unrestricted funds.

Academic income rose by 9.9%, having risen by 9.0% the previous year, based once again on increased student numbers. Academic income represented 32% of income. Residential & Catering income rose by 6.7% to £3,085k, representing 62% of income.

Expenditure rose by 3.0% including depreciation, or



FINANCIAL REVIEW (continued)

units at £32.00 each. The distribution rate for the University's financial year to 31 July 2010 was £1.4055 per





INDEPENDENT AUDITORS REPORT TO THE GOVERNING BODY OF WOLFSON COLLEGE

We have audited the financial statements of Wolfson College for the year ended 30 June 2010 which comprise the statement of principal accounting policies, the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, the reconciliation of net cash flow to movement in net funds, and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Governing Body, in accordance with our engagement letter dated 29 September 2010. Our audit 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 Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the College's Governing Body and auditors

As described in the statement of responsibilities of the Governing Body, the Governing Body is responsible for preparing the financial statements in accordance with applicable United Kingdom Generally Accepted Accounting Practice and the provisions of the Statutes of the College and the University of Cambridge.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Auditing Standards (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, with the Statutes of the University of Cambridge, and with the provisions of the Statutes of the College. In addition, we report whether the University Contribution has been correctly calculated in accordance with the provisions of University Statute G, II.

We also report if, in our opinion, the Financial Review is not consistent with the financial statements, the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the accounts for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Auditing Standards (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements is taken in the preparation of the financial statements.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

The accounts 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.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment assets and the depreciated replacement cost of freehold land and buildings.

Basis of consolidation

The College has three subsidiary companies, each of which is dormant. The financial statements of Lee Library Ltd, Wolfson College Cambridge Properties Ltd. and Wolfson College Developments Ltd have not been consolidated in the financial statements of the College. The activities of student societies have not been consolidated, because they are not within the control of the college.

Recognition of income

All income is credited to the Income and Expenditure Account on an accruals basis. Unrestricted donations and benefactions are shown as income in the year in which they arise. Donations and benefactions to restricted funds are accounted for as permanent or expendable endowments.

Income earned on investments is recognised in the same way, according to the unrestricted or restricted



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

consistent with the depreciation policy. Finance costs, which are directly attributable to the construction of buildings, are not capitalised as part of the cost of those assets.

In accordance with FRS 15, interim valuations are not carried out within 3 years of the last formal valuation as this is deemed to be inappropriate for cost/benefit reasons.

b. Maintenance and Renewal of premises

The College 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 College also has a major renewal programme, the costs of which are treated as capital improvements which bear upon the depreciated replacement cost of buildings.

c. Furniture, fittings and equipment

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

Furniture and fittings 10% per annum General equipment 20% per annum Computer equipment 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.

d. Heritage Assets

Silver, works of art and other artefacts not related to education are included in the balance sheet at cost or valuation, where such cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Investments

Investments are included in the balance sheet at market value. Securities are shown at their market value. For listed investments this is the middle market quotation ruling at the close of business on 30 June, translated for overseas investments into sterling at the rates of exchange ruling at that date.

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

Taxation

The College is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and is 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 unde



INCOME & EXPENDITURE ACCOUNT			
Year to 30 June		2010	2009
	Note	£' 000	£' 000
INCOME	NOTE		
Academic	1	1,610	1,465
Residential and Catering	2	3,085	2,892
Endowment Income and Interest	3	69	167
Other	4	248	342
Total Income	-	5,012	4,866
EXPENDITURE			
Education	5	2,132	2,002
Residential and Catering	6	3,388	3,328
Development and Alumni Relations	7	190	220
Other	8	72	65
Total Expenditure	-	5,782	5,615
Operating Deficit	-	(770)	(749)
Contribution to Colleges' Fund		-	-
NET Deficit	-	(770)	(749)

Income and expenditure are in respect of continuing activities.



BALANCE SHEET			
As at 30 June		2010	2009
		£' 000	£' 000
FIXED ASSETS	Note		
Tangible Assets	10	44,792	45,721
Investments	11	9,475	7,181
Total Fixed Assets		54,267	52,902
CURRENT ASSETS			
Stocks		74	74
Debtors	12	371	371
Cash		1,345	2,147
Total Current Assets		1,790	2,592
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	13	(778)	(894)
Net Current Assets		1,012	1,698
Total Assets less Current Liabilities		55,279	54,600
Creditors: amounts falling due after more than one year	14	(1,200)	(1,200)
NET ASSETS excluding pension liability		54,079	53,400
Defined benefit pension liability	23	(721)	(521)
NET ASSETS including pension liability		53,358	52,879
Restricted funds	15	2,750	2,567
Unrestricted funds	15	50,608	50,312
TOTAL FUNDS		53,358	52,879



CASH FLOW STATEMENT			
Year to 30 June		2010 £' 000	2009 £' 000
	Note		
Net cash inflow from operating activities	20a	20	421
Net cash outflow from returns on investments and servicing of finance	20b	(58)	(136)
Net cash outflow from capital transactions	20c	(764)	(611)
Net cash outflow before financing		(802)	(326)
Net cash inflow from financing	20d	-	780
(Decrease) / increase in cash in year		(802)	454
Reconciliation of Net Cash Flow to Movement in Net Funds			
(Decrease) / increase in cash in year	21	(802)	454
Change in net debt Cash flow relating to purchase and sale of investments	21 21	- 1,241	(780) 336
Non-cash movements in investments	21	1,053	330 (1,759)
Movement in net funds during the year		1,492	(1,749)
		•	, ,
Opening net funds	21	8,128	9,877





	NOTES TO THE ACCOUNTS		
	Year to 30 June	2010	2009
		£' 000	£' 000
5	EDUCATION EXPENDITURE		
	Teaching	760	669
	Tutorial	464	427
	Admissions	309	314
	Research	281	265
	Scholarships and Awards	94	101
	Other Educational Facilities	198	200
	College Courses	26	26
		2,132	2,002
6	RESIDENTIAL and CATERING EXPENDITURE		
O		0.454	0.400
	Accommodation	2,451	2,400
	Catering	937	928
		3,388	3,328
7	DEVELOPMENT and ALUMNI RELATIONS EXPENDITURE		
,	Development and Alumni Relations	190	220
8	OTHER EXPENDITURE		
	Loan Interest, etc	58	52
	Amenities	14	13
		72	65



Year to 30 June

9			Staff Costs Note 19	Other Expenses	Depreciation	Total
			2010	2010	2010	2010
	N	lote	£' 000	£' 000	£' 000	£' 000
	Education	5	683	1,173	276	2,132
	Residential and Catering Development and Alumni	6	1,735	799	854	3,388
	Relations	7	88	87	15	190
	Other	8	-	72	-	72
			2,506	2,131	1,145	5,782
			2009	2009	2009	2009
			£' 000	£' 000	£' 000	£' 000
	Education	5	623	1,137	242	2,002
	Residential and Catering Development and Alumni	6	1,624	793	911	3,328
	Relations	7	84	136	-	220
	Other	8	-	65	-	65
			2,331	2,131	1,153	5,615
10	TANGIBLE FIXED ASSETS	2010	2010	2010	2010	2009
	7.110.221.7.227.62.70		Furniture,	Silverware,	20.0	2000
		Freehold	Fittings,	Pictures,	Total	Total
		Buildings	Equipment	Artefacts		
		£' 000	£' 000	£' 000	£' 000	£' 000
	Cost or Depreciated Replacement	Cost				
	As at 1 July	50,423	1,784	365	52,572	45,917
	Additions at Cost Increase in Depreciated	157	59	-	216	1,038
	Replacement Cost of Freehold Buildings	-	-	-	-	5,617
	Cost or Depreciated Replacement Cost as at 30 June	50,580	1,843	365	52,788	52,572
	Depreciation					
	As at 1 July	5,571	1,280	-	6,851	5,698
	Charge for the Year	1,008	137	-	1,145	1,153
	Depreciation as at 30 June	6,579	1,417	-	7,996	6,851
	Net Book Value					
	As at 30 June 2010	44,001	426	365	44,792	45,721
	As at 30 June 2009	44,852	504	365	45,721	40,219

The insured value of freehold buildings as at 30 June 2010 was £67,297,742 (£67,297,742 in 2009).

Buildings are shown at depreciated replacement cost. The current valuation figure was obtained in 2008. Historical cost records are not available.

Properties were valued as at 30 September 2008 by Gerald Eve LLP, Chartered Surveyors, as External Valuers, on the basis of reinstatement cost, in accordance with the Royal Institution of Chartered Surveyors Valuation Standards, sixth edition.



	NOTES TO THE ACCOUNTS		
	Year to 30 June	2010 £' 000	2009 £' 000
11	INVESTMENT ASSETS		
	Market Value at 1 July Income retained in Fund Management charges Net additional investments Net gain / (loss) on revaluation at 30 June Market Value at 30 June	7,181 71 (13) 1,183 1,053 9,475	8,604 138 (2) 200 (1,759) 7,181
	Represented by: Quoted securities - equities Unquoted securities - unit trust Unquoted securities - equities Cash held for reinvestment Total	8,493 531 451 9,475	4,222 - 1,480 1,479 7, 181
12	DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Members of the College	205	214
	Subsidiary companies Other debtors	1 165	1 156
	Total	371	371
13	CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
	Social Security and Other Taxation	47	45



Year to 30 June

15 RESERVES

	Expendable	Permanent	Total	Total
	Capital	Capital	2010	2009
	Funds	Funds		
Note	£' 000	£' 000	£' 000	£' 000

Restricted Funds 155.29-336603c209



Year to 30 June

16 MOVEMENTS IN RESERVES (contd)

		- /					
				Reduction	Increase		
			£' 000	£' 000	£' 000	£' 000	
	Restricted Funds			4			
	Expendable capital		2,028	(287)	375	2,116	
	Permanent capital		539	(42)	137	634	
	Unrestricted Funds						
	Designated Funds:		001	(100)	222	000	
	Expendable capital		801	(122)	223	902	
	Permanent capital		174	(5)	38	207	
	Undesignated Funds: Expendable capital		43,409	(1,160)		42,249	
	Permanent capital		5,928	(1,100)	1,322	7,250	
	геннанент сарта			(4.040)			
			52,879	(1,616)	2,095	53,358	
17							
			Restricted	Designated	Total	Total	
			Funds	Unrestricted	2010	2009	
				Funds		_000	
			£' 000	£' 000	£' 000	£' 000	
	Fellowships Funds		330	118	448	382	
	Scholarships Funds		309	799	1,108	899	
	Library Funds		196	1	197	155	
	Support Funds		419	36	455	422	
	Travel Grants Funds		27	-	27	25	
	Prizes Funds		3	5	8	8	
	Building Grants		1,466	-	1,466	1,444	
	Other Funds		-	150	150	207	
			2,750	1,109	3,859	3,542	
18	CAPITAL ALLOCATION						
	Capital is invested in the	Net Current	Fixed Assets	Investment	Total	Total	
	following categories of assets:	Assets	less >1 Yr	Assets	2010	2009	
	Tollowing categories of assets.		Creditors				
		£' 000	£' 000	£' 000	£' 000	£' 000	
	Restricted Funds						
	Expendable capital	15	1,466	635	2,116	2,028	
	Permanent capital	20	-	614	634	5395	1F5-2.5(



Year to 30 June

19 STAFF

С

19	SIAFF					
			College	Non-	Total	Total
			Fellows	Academic	2010	2009
	0, 50	Note	£' 000	£' 000	£' 000	£' 000
	Staff Costs:		201	1 700	2.074	1 000
	Salaries		291	1,783	2,074	1,898
	Social security costs Other pension costs		23 34	124 251	147 285	135 298
	Other pension costs					
			348	2,158	2,506	2,331
	Average Staff numbers (full-time equivalents)					
	Academic				9	9
	Non-academic				78	76
	There were 162 Fellows in the Governing Body declared above.	, as at 1	October 200	9, 20 of whom	were stipend	diary, as
	dodar od dbovo.				2040	2000
					2010 £' 000	2009 £' 000
20	CASHFLOW				1 000	1 000
а	Operating Activities					
	Operating Deficit				(770)	(749)
	Depreciation	10			1,145	1,153
	Decrease in stocks				-	7
	Decrease in debtors	12			-	4
	(Decrease) / increase in creditors	13			(116)	174
	Movement in pension deficit			_	(239)	(168)
	Net cash inflow from operating activities			_	20	421
b	Returns on Investments and Servicing of					
	Finance					
	Retained Endowment income	11			(71)	(138)
	Investment management fees Net cash outflow from returns on			_	13	2
					(50)	(400)
	investments and servicing of finance			_	(58)	(136)
	Contribution to Colleges Fund			_	<u> </u>	-
С	Capital Transactions					
	Receipts re-invested				160	180
	Capital Grant received from Colleges Fund				460	445
	Donations to Permanent Capital			_	15	2
	Total capital receipts				635	627
	Payments to acquire tangible fixed assets	10		_	(216)	(1,038)
	Payments to acquire investment assets	11		_	(1,183)	(200)
	Total capital expenditure				(1,399)	(1,238)
	Net cash outflow from capital transactions				(764)	(611)
d	Financing			_	<u> </u>	, ,
<u> </u>	Long-term loans repaid				_	(420)
	Long-term loans received				-	1,200
	Net cash inflow from financing			_	-	780
	3			_		



Year to 30 June

21

		At 1 July 2009 £' 000	Cash Flows £' 000	Other Changes £' 000	At 30 June 2010 £' 000	
	Cash at Bank and in hand Bank loan	2,147 (1,200)	(802)	-	1,345 (1,200)	
	Net liquid funds	947	(802)	-	145	
	Investments in securities Short term investments	5,701 1,480	1,183 58	1,053	7,937 1,538	
	Net funds	8,128	439	1,053	9,620	
22	ENDOWMENTS					
а	Corporate Capital		Capital	Accumulated	Total 2010	Total 2009
			£' 000	Income £' 000	£' 000	£' 000
	Balance at 1 July		5,928	-	5,928	7,384



23 PENSION SCHEMES (continued)

The following results were measured in accordance with the requirements of FRS17:

Total value of assets Present value of defined benefit obligation - liabilities	30 June 2010 £'000 2,379 (3,100)	30 June 2009 £'000 1,999 (2,520)	30 June 2008 £'000 2,090 (2,419)
Present value of defined benefit obligation - liabilities	(3,100)	(2,320)	(2,419)
Deficit in Scheme	(721)	(521)	(329)
Net pension liability	(721)	(521)	(329)
Amounts recognised in the Profit & Loss			
Current service cost Interest Cost Expected Return on Asset	30 June 2010 £'000 146 157 (123)	30 June 2009 £'000 166 163 (139)	
Total operating charge	180	190	
Actual Return on Assets	(268)	(165)	
Changes in the present value of the defined benefit obligation			
Opening defined benefit obligation	30 June 2010 £'000 2,520	30 June 2009 £'000 2,419	
Service Cost (including employee's contribution)	183	204	
Interest Cost Actuarial losses/ (gains)	157 364	163 (124)	
Benefits (& Expenses) paid	(124)	(142)	
Gosing defined benefits obligation	3,100	2,520	
Changes in the fair value of scheme assets			
Opening fair value of scheme assets Expected Return Actuarial gains/(losses) Contributions by employer	30 June 2010 £'000 1,999 123 145 198	30 June 2009 £'000 2,090 139 (304) 178	



23 PENSION SCHEMES (continued)

Amount recognisable in statement of total recognised gains and losses (STRGL)

30 June	30 June
2010	2009
£'000	£'000



23 PENSION SCHEMES (continued)

Standard mortality tables were used as follows:

Male members' mortality PA92 MC YoB tables - rated down 1 year Female members' mortality PA92 MC YoB tables - No age rating

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further small improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65 22.8 (24.8) years Males (females) currently aged 45 24.0 (25.9) years

At the valuation date, the market value of the assets of the scheme was £28,842.6 million and the value of the past service liabilities and provision for expenses was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% of the benefits which had accrued to members after



23 PENSION SCHEMES (continued)

and by sector. The trustee recognises that it would be possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee has agreed to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding to take investment risk relative to the liabilities, the trustee receives advice from its investment consultant and the scheme actuary, and considers the views of the employers. The strong positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation.

At 31 March 2010, USS had over 135,000 active members and the institution had 38 active members participating in the scheme.

The total pension cost for the College was £125,507 (£92,363 in 2009). The contribution rate payable by the College was 16% of pensionable salaries.

24 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.