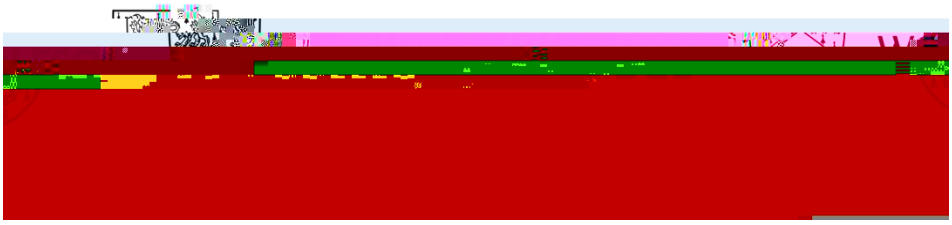

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Registered Charity No. 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 2017-18 the following were members of the College Council:

Five College Officers ***ex officio***

Professor Sir Richard Evans (to 30 September 2017)	President; Chair of the Council
Professor Jane Clarke (from 1 October 2017)	President; Chair of the Council
Mr Graham Allen	Vice-President

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

OPERATING AND FINANCIAL REVIEW (continued)

The College has 409 units of student accommodation, mainly for single occupation but some for couples, accommodating up to 429 in total. In addition there are five family flats. The remaining 38 units of accommodation are for visiting academics, part

RESPONSIBILITIES OF THE GOVERNING BODY

The Governing Body is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

Opinion

We have audited the financial statements of Wolfson College (the 'College') for the year ended 30 June 2018 which comprise

INDEPENDENT AUDITOR'S REPORT (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the Annual Report 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; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governing Body

As explained more fully in the Governing Body's responsibilities statement set out on page 13, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (continued)

Use of our report

This report is made solely to the Governing Body as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our audit work has been undertaken so that we

PART 2: FINANCIAL STATEMENTS Page

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Consolidated C

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The USS is

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 30 June	2018	2017
	Unrestricted	

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

For the year ended 30 June

NOTES TO THE ACCOUNTS

For the year ended 30 June

1 Critical accounting judgements and key sources of estimation uncertainty

In the application of the College's accounting policies, the Governing Body is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods

Universities Superannuation Scheme (USS)

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the comprehensive expenditure in accordance with section 28 of FRS102. The Governing Body is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial state(p)-18(l)-1(oSa)2(ppr)5(e)9(nt)3(()7(t)3(ohTT2 d f46[(a)2(p(e)9(04 f)9(i)5(na)545(s)1

NOTES TO THE ACCOUNTS

For the year ended 30 June

3

NOTES TO THE ACCOUNTS

For the year ended 30 June

7 Other expenditure

	2018 £'000	2017 £'000
Alumni relations	170	141

NOTES TO THE ACCOUNTS

For the year ended 30 June

10 Tangible fixed assets

Group and College	Freehold land and buildings £'000	Fittings and equipment £'000	Total 2018 £'000	Total 2017 £'000
Cost				
At beginning of year	47,283	3,785	51,068	50,319
Additions at cost	1,062	662	1,724	937
Disposals	-	(150)	(150)	(188)
Cost at end of year	48,345	4,297	52,642	51,068
Depreciation				
At beginning of year	10,267	2,673	12,940	12,180
Charge for the year	611	473	1,084	948
Disposals	-	(150)	(150)	(188)
Depreciation at end of year	10,878	2,996	13,874	12,940
Net book value				
As at 30 June 2018	37,467	1,301	38,768	
As at 30 June 2017	37,016	1,112	38,128	

The declared value of freehold buildings for insurance purposes at 30 June 2018 was £52,190,562 (2017: £50,425,664).

Freehold land and buildings includes land valued at 1 July 2014 at £22,000,000.

Heritage assets

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

Equipment MCID 71 BDC EMC /P <</MCID 71 >>BDC EMC /P <</MCID 157 >>[(s)5(ci)-606.3MC / s of SP <</MCID

NOTES TO THE ACCOUNTS

For the year ended 30 June

14 Creditors: amounts falling due within one year	Group 2018 £'000	College 2018 £'000	Group 2017 £'000	College 2017 £'000
Trade creditors	495	495	499	499
Members of the College	216	216	216	216
University fees	116	116	49	49
Other creditors (PAYE, NI, VAT)	101	84	85	79
Accruals and deferred income	116	102	137	134
Total	1,044	1,013	986	977

15 Creditors: amounts falling due after more than one year	Group and College 2018 £'000	Group and College 2017 £'000
Bank loan		

NOTES TO THE ACCOUNTS

For the year ended 30 June

18 Restricted reserves

Group and College

	Capital grants	Restricted income	Restricted permanent endowment income	Expendable endowment	Total 2018	Total 2017

NOTES TO THE ACCOUNTS

19 Pension schemes

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

19a Cambridge Colleges Federated Pension Scheme

The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the CCFPS, at 31 March 2017 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

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

	2018 % p.a.	2017 % p.a.
Discount rate	2.70	2.60
Increase in salaries	2.75	2.85
Retail Prices Index (RPI) assumption	3.25	3.35
Consumer Prices Index (CPI) assumption	2.25	2.35
Pension increases in payment (RPI max 5.0% p.a.)	3.15	3.25
Pension increases in payment (CPI max 2.5% pa.)	1.80	1.85

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI 2017 future improvement factors and a long term rate of future improvement of 1.25% p.a. (2017: S2PA with CMI 2016 future improvement factors and a long term future improvement rate of 1.25% p.a.) This results in the following life expectancies:

Males aged 65 now have a life expectancy of 21.9 years (previously 22.1 years)
Females aged 65 now have a life expectancy of 23.8 years (previously 23.9 years)
Males aged 45 now and retiring in 20 years have a life expectancy of 23.3 years on retirement (previously 23.5 years)
Females aged 45 now and retiring in 20 years have a life expectancy of 25.1 years on retirement (previously 25.4 years)

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	Male	Female
Active Members - Option 1 Benefits	65	63
Deferred Members - Option 1 Benefits		

NOTES TO THE ACCOUNTS

19a Cambridge Colleges Federated Pension Scheme (continued)

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

	2018	2017
	£'000	£'000