SUMMARY FINANCIAL RESULTS

The financial statements consolidate the activities of the College and the College's trading subsidiary, Wolfson College Cambridge Enterprises Limited.

Total income for the year was £10.27m. Total expenditure for the year (including depreciation of £1.23m but excluding capital expenditure of £1.27m) was £8.54m, leading to a surplus (before other gains and losses) of £1.73m and total comprehensive income for the year of £1.03m. The main sources of income were academic fees (£3.53m) and accommodation and catering (£2.99m). The main area of expenditure was staff costs of £3.85m.

Endowment investments, which are mainly invested in the Cambridge University Endowment Fund (CUEF), were valued at £27.70m at 30 June 2020. In addition, the College held fixed interest investments of £12.60m in the CUEF at the year end, bringing the total of endowment and other investments to £40.30m.

Net assets were £69.08m.

PROFESSIONAL ADVISERS

Auditor	Bankers
Peters Elworthy & Moore	Lloyds Bank plc
Salisbury House	Endeavour House
Station Road	Chivers Way, Histon
Cambridge CB1 2LA	Cambridge CB24 9ZR

Wolfson College
Barton Road
Cambridge CB3 9BB

Website: www.wolfson.cam.ac.uk

Charity Registration No 1138143

CHARITY TRUSTEES

The College Officers and elected Fellow members of the College Council act as the Trustees of the charit oS1.92 1776.373

PUBLIC BENEFIT (continued)

The College has some 275 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.

OPERATING AND FINANCIAL REVIEW

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 1,012 as at 1 December 2019 represents a significant increase on the previous year (899). The key measure is full-time students, and the College has a strategic target of 525 full-time students per year. The College accepts both postgraduates who have selected the College as part of their application and postgraduates who are allocated to the College through an intercollegiate allocation process, designed to even out the distribution of applications across the Cambridge colleges. The following chart shows the figures for full-time students over the past seven years as at 1 December in each year:

The target of 525 breaks down into a target of 375 full-time postgraduates and 150 undergraduates, and there is a clearly stated objective to increase the number of PhD and other doctoral levlu0e9 (l)BDC 05 :re is1 (ls]TJ 0 T2.7 (o))3.9 (

OPERATING AND FINANCIAL REVIEW (continued)

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OPERATING AND FINANCIAL REVIEW (continued)

4 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 term average annual rate of total return equal to the Consumer Prices Index (CPI) for each calendar year plus 5%, net of investment management costs. The fund has a hybrid rule for its distribution based on a long-term target capital value rate of 4%. Therefore, the overall long term objective of the CUEF is to achieve an increase in asset values, after paying the distributions, of at least 1% above CPI.

In the year to June 2020 the College invested a further £377k in the CUEF, made up of £212k of new endowment funds and £165k of existing endowment funds previously invested with Cazenove Capital Management.

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

Wolfson College investments in the CUEF	30 June 2020	30 June 2019
Unit value	£57.44	£58.46
Number of units (endowment)	472,461	465,899
Number of units (fixed asset investments)	219,379	219,379
Total number of units	691,840	685,278
Value of units (endowment)	£27.14m	£27.24m
Value of units (fixed asset investments)	£12.60m	£12.82m
Total value of units	£39.74m	£40.06m

The College received distributions totalling £1.47m (£1.00m from the endowment units and £0.47m from the fixed asset investment units), giving a distribution yield of 3.67% on the opening capital value.

The CUEF had a total fund value of £3.6 billion at 30 June 2020. The asset allocation of the CUEF was as follows:

CUEF asset classes	30 June 2020	30 June 2019
	%	%
Public equity	47	59
Private investment	15	12
Absolute return	8	8
Credit	5	5
Real assets	9	9
Fixed interest/cash	16	7

In addition to its investment it4d001 T0.001 Tw5vt4d]TJ -0.006 m90.6 (s)3 0 T.30(a)23 0 Td1.96(1i)5.1 (nv)5.u(nd h1.s9 (2 (t

OPERATING AND FINANCIAL REVIEW (continued)

6 Fundraising and Alumni Relations

Fundraising is a major part of the role of the Development & Alumni Relations Office, which was established in 2008. The College is registered with the Fundraising Regulator and does not use third party professional fundraisers. 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. Total donations were as follows:

	30 June 2020 £'000	30 June 2019 £'000
Colleges Fund grant	920	876
Donations above £50k	376	148
Donations up to £50k	194	209
Bequests from individuals' estates	153	172
The Alborada Trust	160	160
The Frank Jackson Foundation	80	-
Collegiate Development Accelerator Fund	50	56
Geistlich Pharma AG	25	25
Santander Universities UK	25	-
Cambridge University Press	12	-
Total Donations	1,995	1,646

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. 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 2020 there were 99 members of the Morrison Society.

In terms of alumni relations and communications, the Development & Alumni Relations Office has continued to build relationships with the wider membership of Wolfson. The College maintains contact details for over 12,000 alumni, of whom more than half live outside the UK in over 150 different countries. An e-bulletin (*Ring True*) is emailed to over 10,000 members six times a year, who also receive the *Wolfson Review* magazine annually. More regular newsletters were sent out during the COVID-19 pandemic which helped to keep the community engaged and a COVID-19 Emergency Appeal raised additional funds. A reunion weekend for alumni is usually held each September, and a large number of events were arranged for members throughout the year, which necessarily moved online after March.

7 Principal Risks and Uncertainties

The College has a detailed risk register which the College Council reviews annually. In this register the risks are set out in the following areas: Students; Finance, Funding & Fundraising; College Estate & Infrastructure; Staff, Fellowship, Membership & Governance; The Changing Landscape of Cambridge; Government & Legislation; and Reputation. Aer,

OPERATING AND FINANCIAL REVIEW (continued)

7 Principal Risks and Uncertainties (continued)

COVID-19 - Staff: Whilst the College has been fortunate that levels of infection in Cambridge have been extremely low, any increase in the rate of infection amongst College Staff could have an impact on the delivery of services across the College. In some operational areas, there may be a need to take on additional temporary staff, if

OPERATING AND FINANCIAL REVIEW (continued)

8 Future Plans (continued)

The plan sets ambitious targets in the areas of education and learning, student recruitment, the student experience, College membership and the intellectual and cultural life of the College.

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:

Development	Educational Policy	Fellowship & Membership
Finance	Health & Safety	House & Student Events
IT Strategy	Personnel	Sustainability

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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 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.

PART 2: FINANCIAL STATEMENTS

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Investment income and changes in value of investment assets

I

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Stocks

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

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 transfe

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities
Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the College enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The College does not apply any hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

Taxation

The College is a registered charity (number 1138143) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charit-3.9 (r)-1

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Pension costs (continued)

The USS is a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 Employee Benefits, the College therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines -6.4 (h)8e.7-9.2 (e C)-1.1

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

For the year ended 30 June

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Balance at 1 July 2018	40,330	2,488	24,468	67,286
Surplus for the year	(320)	216	1,352	1,248
Other comprehensive income	(484)	-	-	(484)
Release of restricted capital funds spent in the year	40	(40)	-	-
Balance at 30 June 2019	39,566	2,664	25,820	68,050
Surplus for the year	1,109	180	(140)	1,149
Other comprehensive income	(119)	-	-	(119)
Release of restricted capital funds spent in the ye	2	(2)	-	-
Balance at 30 June 2020	40,558	2,842	25,680	69,080

CONSOLIDATED AND COLLEGE BALANCE SHEET

As at 30 June	Note	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Non-current assets					
Fixed assets	10	39,957	39,957	39,912	39,912
Investments	11	40,305	40,305	40,678	40,678
Total non-current assets		80,262	80,262	80,590	80,590
Current assets					
Stocks		63	63	58	58
Trade and other receivables	12	696	755	449	532
Cash					

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June	Note	2020 £'000	2019 £'000
Cash flow from operating activities			
Surplus for the year		1,149	1,248
Adjustment for non-cash items:			
- depreciation	10	1,228	1,151
- pension costs less contributions payable		65	37
- amortisation of placement arrangement fees		3	2
- (gain) / loss on investments	11	585	(

NOTES TO THE ACCOUNTS

For the year ended 30 June

		2020	2019
1	Academic fees and charges	£'000	£'000
	Fee income		
	Fee income received at the regulated undergraduate rate (a)	507	533
	Fee income received at the unregulated undergraduate rate		

NOTES TO THE ACCOUNTS
For the year ended 30 June

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NOTES TO THE ACCOUNTS

For the year ended 30 June

8a Analysis of expenditure by activity

	Note	Staff costs (note 9) 2020 £'000	Other operating expenses 2020 £'000	Depreciation 2020 £'000	Total 2020 £'000
Education	5	1,985	1,939	447	

NOTES TO THE ACCOUNTS

For the year ended 30 June

10 Tangible fixed assets (continued)

The declared value of freehold buildings for insurance purposes at 30 June 2020 was £ 55,798,548 (2019: £53,704,089).

Capital commitments	Group and College	
	2020	2019
	£'000	£'000
Capital expenditure contracted but not provided for	-	702

11 Non-current investments

	Group and College	
	2020	2019
	£'000	£'000
Balance at beginning of year	40,678	38,963
Additions	212	1,072
Gain/ (loss)	(585)	643

NOTES TO THE ACCOUNTS

For the year ended 30 June

		Group	College
13	Cash and cash equivalents		
		2020	
		£'000	

NOTES TO THE ACCOUNTS

For the year ended 30 June

16 Pension provisions (see note 21)

	CCFPS liability £'000	USS deficit provision £'000	Group and College Total 2020 £'000	Group and College Total 2019 £'000
Balance at beginning of year	2,159	873	3,032	1,947
Movement in the year:				
Current service cost	169	-	169	145
Administrative expenses	14	-	14	14
Contributions	(166)	-	(166)	(166)
Other allocation to staff costs	-	(400)	(400)	557
Other finance cost	48	14	62	51
Actuarial (gain) / loss	119	-	119	484
Balance at end of year	2,343	487	2,830	3,032

17 Permanent endowments

	Unrestricted permanent £'000	Restricted permanent £'000	Group and College Total 2020 £'000	Group and College Total 2019 £'000
Balance at beginning of year	21,790	4,030	25,820	24,468
New endowments	1	197	198	909
Transfers	-	-	-	-
Gain/ (loss) on investments	(286)	(52)	(338)	443
Balance at end of year	21,505	4,175	25,680	25,820
Analysis by purpose				
Fellowship Funds	-	150	150	-
Scholarship Funds	-	2,228	2,228	2,241
Prize Funds	-	98	98	83
Hardship Funds	-	1,005	1,005	1,004
Bursary Funds	-	101	101	103
Travel Grant Funds	-	51	51	51
Library Funds	-	362	362	366
Other Funds	-	180	180	182
General	21,505	-	21,505	21,790
Total	21,505	4,175	25,680	25,820
Analysis by asset:				
Investments	21,505	4,174	25,679	25,814

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 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at beginning of year						
Capital	-	-	-			

NOTES TO THE ACCOUNTS

For the year ended 30 June

19 Consolidated reconciliation and analysis of net debt

	At 1 July 2019	Cash flows	Other non-cash changes	At 30 June 2020
	£'000	£'000	£'000	£'000
Cash and cash equivalents	2,067	779	-	2,846
Borrowings due after more than one year				
Unsecured loans	(11,112)	-	(3)	(11,115)
Net total	(9,045)	779	(3)	(8,269)

20 Financial instruments

	2020	2019
	£'000	£'000
Financial assets		
Financial assets at fair value through Statement of Comprehensive Income		
Other investments	40,305	40,678
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	2,846	2,067
Other debtors	266	254
Financial liabilities		
Financial liabilities measured at amortised cost		
Loans	11,115	11,112
Trade creditors	278	487
Other creditors	414	349

NOTES TO THE ACCOUNTS
For the year ended 30 June

21a Cambridge Colleges Federated Pension Scheme (continued)

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI 2019 future improvement factors and a long term rate of future improvement of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements (2019: S3PA with CMI 2018 future improvement factors and a long term future improvement rate of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Males aged 65 now have a life expectancy of 21.9 years (previously 21.8 years);
- Females aged 65 now have a life expectancy of 24.2 years (previously 24.0 years);
- Males aged 45 now and retiring in 20 years have a life expectancy of 23.2 years on retirement (previously 23.1 years);
- Females aged 45 now and retiring in 20 years have a life expectancy of 25.6 years on retirement (previously 25.5 years).

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

	Male	Female
Active Members - Option 1 Benefits	65	63
Deferred Members - Option 1 Benefits	62	60

Allowance has been made at retirement for non-retired members to commute part of their pension for a

NOTES TO THE ACCOUNTS

For the year ended 30 June

21a Cambridge Colleges Federated Pension Scheme (continued)

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

	2020	2019
	£’000	£’000
Market value of plan assets at beginning of year	5,206	4,741
Contributions paid by the College	166	166
Employee contributions	10	9
Benefits paid	(196)	(164)
Administrative expenses paid	(19)	(19)
Interest on plan assets	117	127
Return on assets, less interest included in income and expenditure	285	346
Market value of plan assets at end of year	5,569	5,206
Actual return on plan assets	402	473

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

	2020	2019
Equities	49%	57%
Bonds & Cash	41%	34%
Property	10%	9%
Total	100%	100%

The plan has no investments in property occupied by, assets used by, or financial instruments issued by, the College.

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June:

	2020	2019
	£’000	£’000
Return on assets less interest included in comprehensive income	285	346
Expected less actual plan expenses	(6)	(5)
Experience gains and losses arising on plan liabilities	245	(84)
Changes in assumptions underlying the present value of plan liabilities	(643)	(741)
Re-measurement of net defined benefit liability recognised in OC5&		

NOTES TO THE ACCOUNTS

For the year ended 30 June

21b Universities Superannuation Scheme (continued)

The current life expectancies (in years) on retirement at age 65 are:

	2018 valuation	2017 valuation
Males currently aged 65	24.4	24.6
Females currently aged 65	25.9	26.1
Males currently aged 45	26.3	26.6
Females currently aged 45	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan.