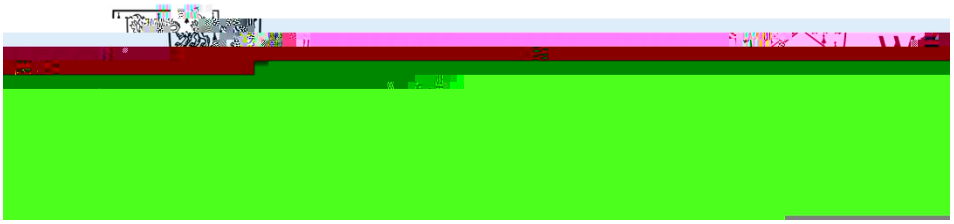

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Registered Charity No. 1138143

COVID-19 (continued)

Whilst approximately 100 students remained in residence throughout the year, occupancy levels fluctuated considerably. College accommodation was full at the beginning of Michaelmas term but as the levels of infection began to rise again in October 2020, locally and nationally, Cambridge entered into "Tier 3" COVID-19 restrictions before a second national lockdown was implemented in November. When infection rates remained high and a third national lockdown started in January 2021, many students remained at home for the Lent term. In March 2021, the Government announced its 4 step roadmap to reduce restrictions. The College, along with the University and all other Cambridge colleges, worked hard to interpret and follow Government and Department for Education guidelines, as they applied to a wide range of College activities including, educational and social events, sports, the bar, visitors and many more. Two large marquees, erected in the East and West Courts, served a number of purposes including social spaces, study spaces and the bar.

The Easter term gradually gained momentum as it became possible, first,

CHARITY TRUSTEES

The College Officers and elected Fellow members of the College Council act as the Trustees of the charity. The College Council meets at least eight times a year. In the financial year 2020-21 the following were members of the College Council:

Five College Officers ***ex officio***

Professor Jane Clarke	President; Chair of the Council
Mr Graham Allen	Vice-President
Mrs Joanna Cheffins	Bursar; Secretary of the Council
Dr Susan Larsen	Senior Tutor
Ms Sian Cook	Development Director

Ten Fellows elected by the Governing Body

Ms Lynette Alcántara (from 1 October 2020)
Professor Ian Cross
Dr Anna Dempster
Professor Stephen Evans (from 1 October 2020)
Dr Lesley MacVinish (to 30 September 2020)
Dr Guillaume Nataf (to 31 December 2020)
Dr Virginia Newcombe (from 1 October 2020)
Mr Michael O'Sullivan (to 30 September 2020)
Professor Lloyd Peck
Professor George Salmond (to 30 September 2020)
Dr Frank Tietze (from 10 February 2021)
Dr Martin Vestergaard
Dr Steve Watson
Dr Warwick (Jeremy) Webb (from 1 October 2020)
Professor James Wood (to 30 September 2020)

In addition, three Students from the Wolfson College Student Association (WCSA) are trustee members of College Council:

President of WCSA:

Mr Benjamin Remez (to November 2020)	Ms Charlotte Clarke (from November 2020)

Vice-President of WCSA

Mr Kenneth Okwor (to November 2020)	Mr Eric Legresley (from November 2020)

Treasurer of WCSA:

Mr Daniel Sowood (to November 2020)	Miss Sheryl Wombe (from November 2020)

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 99 Governing Body Fellows as at 1 December 2020. 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:
https://www.wolfson.cam.ac.uk/people

The College's corporate governance arrangements are set out on page 11.

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 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

OPERATING AND FINANCIAL REVIEW

		Page
1	Student Numbers	8
2	Income and Expenditure	9
3	Capital Additions	9
4	Investments	10
5	Reserves	10
6	Fundraising and Alumni Relations	11
7	Principal Risks and Uncertainties	12
8	Future Plans	13

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 1,033 as at 1 December 2020 did not change significantly from the previous year (1,012). The key measure is full-time students, and the College has historically had a strategic target of 525 full-time students 6 (h)-6(o)-4.4 (m)-12.2 6 (g0.004 Ty20h (s)10. ca)-4 (l)-0.9 (l)-0.9 (y)-5.9 (h)-6.2 (a)-3.9 (

OPERATING AND FINANCIAL REVIEW (cont'd)

7 Principal Risks and Uncertainties

The College has a detailed risk register which the College Council reviews regularly. 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. A number of risks are analysed in each area. As well as setting out the likelihood of occurrence and a(3]TJ(03 T24(190-3.7950.1 31(e)s[(E.9 (o)cl)5(r)1r))4.4 (9omt.6.(r))4.4 ((t-3.2 r(o8o)cl)5(r)1 fa(8)c)a)3.ror1 39 (t.f464v) w

OPERATING AND FINANCIAL REVIEW (continued)

7 Principal Risks and Uncertainties (continued)

Costs of providing buildings and facilities which are of a suitable quality to meet the needs of students: While the College has maintained a programme of annual refurbishment of its accommodation and main building, substantially funded by the Wolfson Foundation, funding from the Wolfson Foundation has now been spent. Future refurbishment at the same level is dependent on new fund raising or other income generation. In the meantime, expenditure on the estate has been restricted to essential works. Interrupting the annual programme of refurbishment may mean additional expenditure is required at a later date.

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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.

INDEPENDENT AUDITOR'S REPORT (continued)

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

In our opinion based on the work undertaken in the course of the audit:

- The contribution due from the College to the University has been 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review.

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:

- 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

INDEPENDENT AUDITOR'S REPORT (continued)

- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

This report is made solely to the College's Governing Body as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our 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 College's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA
Date:

Peters Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

PART 2: FINANCIAL STATEMENTS Page

Statement of Principal Accounting Policies 20

Consolidated Statement of Comprehensive Income and Expenditure 26

Consolidated Statement of Changes in Reserves 27

Consolidated and College Balance Sheets 28

Consolidated Cash Flow Statement 29

Notes to the Accounts 30

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, using the Recommended Cambridge College Accounts (RCCA) format, and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

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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 transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent assets and liabilities

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

Financial instruments

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 30 June		2021				2020			
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Restricted	Endowment	Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income									
Academic fees and charges	1	3,378	342	-	3,720	3,211	323	-	3,534

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

For the year ended 30 June

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Balance at 1 July 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 year	2	(2)	-	-
Balance at 30 June 2020	40,558	2,842	25,680	69,080

CONSOLIDATED AND COLLEGE BALANCE SHEET

As at 30 June 2021

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 June	Note	2021 £'000	2020 £'000
Cash flow from operating activities			
Surplus for the year		8,913	1,149
Adjustment for non-cash items:			
- depreciation	10	1,224	1,228
- pension costs less contributions payable		74	65
- amortisation of placement arrangement fees		2	3
- (gain) / loss on investments	11	(8,686)	585
- (increase) in stocks		6	(5)
- (increase) / decrease in trade and other receivables		(194)	(247)
- (decrease) in creditors		345	(128)
- increase / (decrease) in provisions		(97)	(386)
Adjustment for investing or financing activities:			
- investment income	3	(1,544)	(1,501)
- new endowments	17	(27)	(198)
- capital grants for assets	18	(2)	(168)
- interest payable	7	328	328
Net cash inflow from operating activities		342	725
Cash flows from investing activities:			
Investment income	3	1,544	1,501
New endowments	17	27	198
Endowment funds invested	11	(35)	(212)
Payments made to acquire non-current asset investments	11	(1,085)	-
Capital grants for assets	18	2	168
Payments made to acquire fixed assets	10	(582)	(1,273)
		(129)	382
Cash flows from financing activities:			
Interest paid	7	(328)	(328)

NOTES TO THE ACCOUNTS

For the year ended 30 June

1 Academic fees and charges

	2021	2020
	£'000	£'000
Fee income		
Fee income received at the regulated undergraduate rate (a)	572	507
Fee income received at the unregulated undergraduate rate (b)	561	594
Fee income received at the postgraduate rate (c)	2,162	2,062
	3,295	3,163
Other income		
Research Fellow support	76	29
Cambridge Bursaries	342	323
Teaching and other income	7	19
College courses	-	-
Total	3,720	3,534

(a) This rate is received for UK and EU students who are eligible for Student Finance loans. Such students are sometimes referred to as 'publicly funded'. The total rate is set by the University up to a limit set by the Government, and the College receives a 50% share.

(b) This rate is paid by Overseas students and those UK and EU students not eligible for Student Finance loans. Such students are sometimes referred to as 'privately funded'. This rate is set by the College.

(c) This rate is a fixed proportion of the course fee set by the University.

2 Accommodation, catering and conferences income

	2021	2020
	£'000	£'000
Accommodation		

NOTES TO THE ACCOUNTS 2021

NOTES TO THE ACCOUNTS

For the year ended 30 June

11 Non-current investments

	Group and College	
	2021	2020
	£'000	£'000
Balance at beginning of year	40,305	40,678
Additions	1,120	212
Gain/ (loss)	8,686	(585)
Balance at end of year	50,111	40,305
Represented by:		
Unquoted securities unit trust	49,627	39,738
Unquoted securities		

NOTES TO THE ACCOUNTS
For the year ended 30 June

17 Permanent endowments

	Group and College			
	Unrestricted permanent £'000	Restricted permanent £'000	Total 2021 £'000	Total 2020 £'000
Balance at beginning of year	21,505	4,175	25,680	25,820
New endowments	4	23	27	198
Transfers	-	-	-	-
Gain/ (loss) on investments	4,615	892	5,507	(338)
Balance at end of year	26,124	5,090	31,214	

NOTES TO THE ACCOUNTS
For the year ended 30 June

18 Restricted reserves

Group and College

	Capital grants £'000	Restricted income £'000	Restricted permanent endowment income	Expendable endowment	Total 2021	Total 2020

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 age year of birth usage with CMI 2020 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 (2020 S3PA with CMI2019 future improvement factors (with smoothing parameter 7.0 and 1.25% p.a. long term rate of improvement).

NOTES TO THE ACCOUNTS
For the year ended 30 June

21a Cambridge Colleges Federated Pension Scheme (continued)

The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall.

These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- annual contributions of not less than £5,060 p.a. payable for the period to 30 November 2029.

These payments are subject to review following the next funding valuation, due as at 31 March 2023.

21b Universities Superannuation Scheme

The total amount included in the consolidated statement of comprehensive income and expenditure, including changes in the deficit provision, is a charge of £119,106 (2020: credit of £153,967)

Deficit recovery contributions due within one year for the institutions are £47,501 (2020: £22,116)