



WOLFSON COLLEGE CAMBRIDGE

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016**

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 2015 was 906. 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 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). They are presented in a new format this year following the introduction of Financial Reporting Standard (FRS) 102, which has necessitated the re-statement of prior year figures.

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 £8.65m. Total expenditure for the year (including depreciation of £0.91m but excluding capital expenditure of £1.49m and new investments of £0.90m) was £6.73m, leading to a surplus (before other gains and losses) of £1.92m and total comprehensive income for the year of £2.89m. The main sources of income were academic fees (£2.48m) and accommodation/catering (£3.51m). The main area of expenditure was staff costs of £3.23m.

Endowment investments, which are mainly invested in the Cambridge University Endowment Fund (CUEF), were valued at £20.20m at 30 June 2016. In addition, the College held fixed asset investments of £1.49m in the CUEF at the year end, bringing the total of endowment and other investments to £21.69m. Net assets were £58.91m.

PROFESSIONAL ADVISERS

Auditor

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge CB1 2LA

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 2015-16 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 (to 30 September 2015)	Vice-President
Mr Graham Allen (from 1 October 2015)	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

Dr Anna Bagnoli (from 1 October 2015)
 Dr Raymond Bujdoso
 Dr David Frost
 Dr Kevin Greenbank (to 30 September 2015)
 Dr Conrad Guettler
 Dr Michael Hrebeniak
 Professor Duncan Maskell
 Professor Stephen Oliver (from 14 October 2015)
 Dr Roland Schwarz (to 30 September 2015)
 Dr Christina Skott
 Dr Christopher Town (to 30 September 2015)
 Dr Jamie Trinidad (from 1 October 2015)
 Professor Alun Williams

Three Students from the Wolfson College Student Association (WCSA)

President of WCSA:

Mr Eli Keren (to 14 July 2015)	Ms Tali Caldecott (Acting) (15 July 2015 to 13 November 2015)
	Mr Ahmed Elmi (from 14 November 2015)

Vice-President of WCSA:

Ms Tali Caldecott (to 13 November 2015)	Mr Jason Phan (from 14 November 2015)
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Treasurer of WCSA:

Mr Eugene Chua (to 31 January 2016)	Mr Justin Yang (from 1 February 2016)
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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 2015. 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 College Research Associates.

The College maintains a Library which is 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 about 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 2015-16, awards totalling £231.8k were made to 52 Wolfson undergraduates (£247.9k to 51 undergraduates in 2014-15): 24 were awarded the maximum mature student bursary of £5,600; 10 were awarded the maximum standard student bursary of £3,500; and a further 18 were awarded an average of £3,467. 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 2015-16 was £184.7k to 57 students (£102.9k to 43 students in 2014-15).

The College also supports students through a grant scheme to assist with attendance at conferences and travel grants. The total awarded in 2015-16 was £31.0k to 66 students (£28.1k to 63 students in 2014-15).

In addition to its other programmes, the College operates a hardship scheme for students in financial hardship. The total awarded in 2015-16 was £39.9k to 48 students (£39.2k to 64 students in 2014-15).

The College also awards prizes to its students for academic distinction. The total awarded in prizes in 2015-16 was £10.2k to 34 students (£10.2k to 34 students in 2014-15).

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.

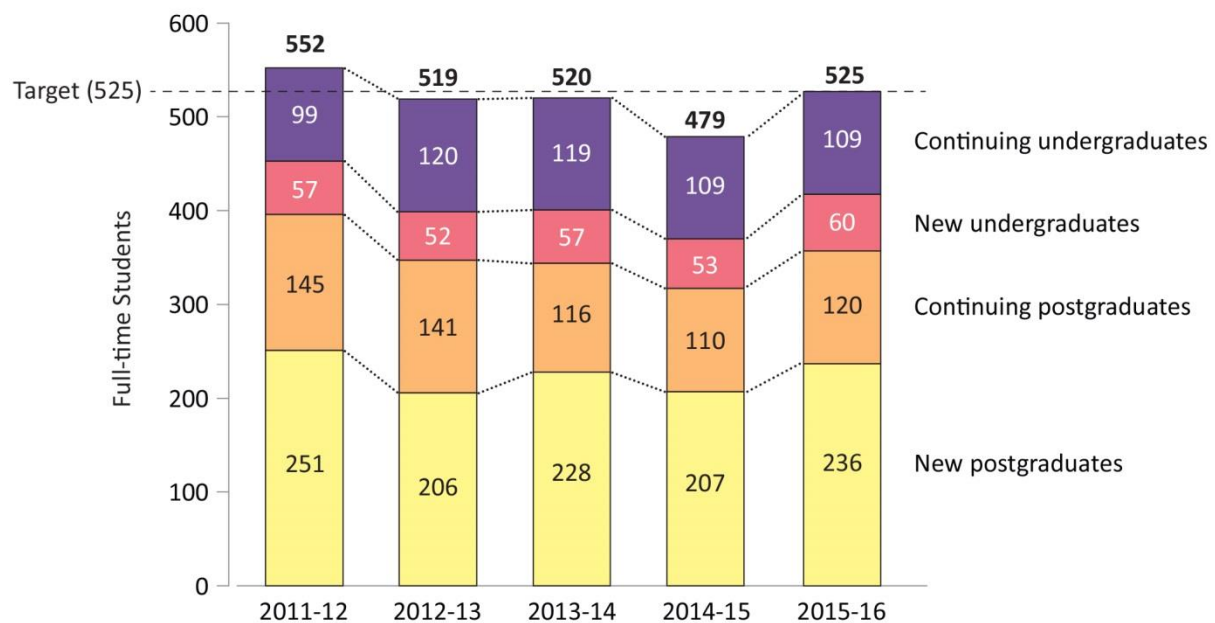


OPERATING AND FINANCIAL REVIEW

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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 906 represent an increase on the previous year (889). The key measure is full-time students, and the College has a strategic target of 525 full-time students per year, which it met in 2015-16. The following chart shows the figures for full-time students over the past five 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 ambition to increase the number of PhD and other doctoral level students: increased financial support for 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, but increased to 180 in 2015-16.

Meanwhile, the total number of undergraduates remained above target at 169, and the total full-time student body of 525 was split roughly one-third undergraduates and two-thirds postgraduates. The College’s part-time postgraduates (249 or 125 FTE this year, and 267 or 134 FTE the previous year) also continued to play an important part in the College’s mix of students.



OPERATING AND FINANCIAL REVIEW (continued)

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 2015-16, 337 students (317 in 2014-15) graduated as follows:

- 40 (57) with a PhD
- 145 (151) with an MPhil or other full-time one year postgraduate course
- 109 (70) with an MSt or MEd (part-time Masters courses)
- 43 (39) with a BA*, MB, Vet MB or BTh (*including 4 BA+MEng)

2 Consolidated Statement of Comprehensive Income and Expenditure

The financial statements are presented in a new format this year following the introduction of Financial Reporting Standard (FRS) 102. The comparative information for the year to 30 June 2015 has been restated and a reconciliation of how the transition has affected the Group's financial performance and position is shown in note 22.

The Statement of Comprehensive Income and Expenditure (SOCIE) shows total comprehensive income for the year of £2.89m.

Academic income, at £2.48m, was higher than in the previous year (£2.33m). Of this total, £2.15m is made up of fees paid by or on behalf of students, as set out in detail in note 2. Within academic income are included the contributions from the Isaac Newton Trust for Cambridge Bursaries: £217k appears as income from this source, with a corresponding figure in expenditure of £232k, i.e. there was a net cost to the College of £15k. Academic income also includes research fellowship support of £54k from Rolls-Royce to support an Engineering Fellowship.

Residential and catering income, at £3.51m, was also higher than the previous year (£3.23m).

There was a further increase in endowment and investment income (from £632k to £702k), mainly as a result of increased investment in the Cambridge University Endowment Fund and the performance of the Fund.

All donations are now included within the SOCIE. They are classified as one of the following: unrestricted or restricted donations for spending in the current year; new endowments, for spending over the longer term; or capital grants, to support building or refurbishment projects. Total donation, endowment and grant income as shown in the SOCIE was £1.97m, up significantly on the previous year's figure of £1.27m.

Total expenditure within the SOCIE was £6.73m, including depreciation of £907k (representing 13.5% of expenditure). The proportion of total expenditure (excluding depreciation) spent on staff costs was 55.4% (£3.23m). The cost of the three pension schemes on offer to staff (USS, CCFPS, NOW) was £420k, representing 13.0% of staff costs.

As a result of FRS102, commitments to fund pension scheme deficit recovery plans for multi-employer schemes, such as USS, need to be recognised as a provision for a liability. Pension costs include charges resulting from the movements of both the CCFPS liability and the new USS deficit provision.

Other significant cash outflows which are not included in the SOCIE, but which directly relate to income included within donations, endowments and grants, are investments made in the Cambridge University Endowment Fund (£896k) and fixed asset additions (£1.49m).

**OPERATING AND FINANCIAL REVIEW (continued)****3 Consolidated Balance Sheet**

Net assets increased from £56.02m to £58.91m.

Transition to FRS102 has allowed the College to take the opportunity to include freehold land in the financial statements at its fair value at 1 July 2014 of £22.00m. A number of capital transactions relating to refurbishment and acquisitions, costing £1.49m, appear only in the balance sheet and the cash flow statement, and do not appear in the SOCIE. The totals are shown in note 10, and the details are as follows:

Additions to buildings	£'000	Additions to fittings and equipment	£'000
Refurbishment of MNOP block	1,059	IT equipment	185
Other	29	Carpets and flooring	60
		Door access systems	28
		Other	129
sub-total	1,088	sub-total	402
		Total Additions	1,490

The College properties had a declared value of £49.15m for insurance purposes.

The endowment is no longer included in one line on the balance sheet: permanent capital is disclosed at the bottom half of the balance sheet as 'income and expenditure reserve – endowment' and unspent income on restricted permanent endowment and all expendable endowment (capital and income) are included within 'income and expenditure reserve – restricted'. The total value of the College's permanent and expendable endowment was £20.23m (2015: £18.59m), comprising investments of £20.20m plus cash of £26k.

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 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.

In June 2016 the College invested a further £1.21m in the CUEF, made up of: £896k of new endowment funds; and £312k of existing endowment funds previously invested with Cazenove Capital Management. As well as endowment funds, the College has some fixed asset investments in the CUEF, but 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 2016	30 June 2015
Unit value	£47.77	£46.61
Number of units (endowment)	402,047	376,769
Number of units (fixed asset investments)	31,108	31,108
Total number of units	433,155	407,877
Value of units (endowment)	£19.20m	£17.56m
Value of units (fixed asset investments)	£1.49m	£1.45m
Total value of units	£20.69m	£19.01m

The College received distributions totalling £686k (£634k from the endowment units and £52k from the fixed asset investment units), giving a distribution yield of 3.61% on the opening capital value.



OPERATING AND FINANCIAL REVIEW (continued)

The total return for the CUEF for the year to 30 June 2016 was 6.3%. The MSCI All Country World index was up 13.3% for the same period and the FTSE All Share index was up 2.2%. The annualised total return of the Fund for the five years to 30 June 2016 was 10.2%, which compares to 7.6% over the same period for its long-term investment objective of RPI + 5.25%. The CUEF had a total fund value of £2.66 billion at 30 June 2016.

The asset allocation of the CUEF was as follows:

CUEF asset classes	30 June 2016	30 June 2015
	%	%
Public equity	60	61
Private investment	12	9
Absolute return incl. hedge funds	13	13
Credit	1	2
Real assets incl. property	12	10
Fixed interest/cash	2	5

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 £993k as at 30 June 2016 (2015: £972k).

5 Reserves

A reserves policy ensures that the College has sufficient financial resources to continue, but also constrains the extent to which reserves are built up from operating surpluses to help maintain intergenerational equity and balance the needs of current and future students.

Total reserves at 30 June 2016 were £58.91m, of which £38.60m were classed as 'unrestricted reserves'. However, as these reserves are mainly represented by the College's operational estate and therefore not available as funds to be spent, a more practical reserves policy has been implemented. The aim is to have realisable unrestricted reserves, being equivalent to fixed asset investments plus net current assets, in the range of 25% to 50% of annual expenditure as shown on the Statement of Consolidated Income and Expenditure, for use in the case of unexpected financial downturns or to pursue new opportunities.

6 Fundraising and Alumni Relations

Fundraising is a major part of the role of the Development & Alumni Relations 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.

The donations shown in the SOCIE were largely from individuals or their private foundations, and include Gift Aid where applicable.

The SOCIE figures are broken down as follows:

	30 June 2016	30 June 2015
	£'000	£'000
Colleges Fund Grant	718	621
Wolfson Foundation capital grant	800	-
Donations (various), including Gift Aid	343	359
Individual bequest	-	237
ALBORADA Trust	60	10
Cambridge University Press	30	24
Santander Universities (to support students)	15	15
Total Donations in SOCIE account	1,966	1,266



OPERATING AND FINANCIAL REVIEW (continued)

In the current year, a further £800k of the £1.25m Wolfson Foundation grant awarded in 2013 was drawn down for the major refurbishment of M-N-O-P staircases, with the remaining balance (£250k) of the grant to be used for the refurbishment of C-D staircases in summer 2016.

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 507 separate donors to the College in 2015-16.

A major initiative by the Development & Alumni Relations 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 2016 there were 76 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 12,700 members, of whom more than half live outside the UK in over 150 different countries. An e-bulletin is emailed to 9,680 members at the start of each term, and over 10,000 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 over 2,250 members around the world. A reunion weekend for alumni is held each September, and a large number of events was arranged for members throughout the year.

7 Principal Risks and Uncertainties

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 at the target level of 525 full-time students, but any 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, for the time being the College has a buoyant undergraduate population, above the target of 150. It is in relation to the postgraduate population that the College has concerns: 356 full-time postgraduates in 2015-16, compared with the target of 375, although this represents an encouraging increase on the figure of 317 in 2014-15. The postgraduate population in the University has remained stable in recent years, and Wolfson is finding that other Colleges are increasing their share of that static postgraduate population, leading to the risk of a reduction in the number of students coming to Wolfson. Although the College continues to attract large numbers of part-time postgraduates (249 in 2015-16), the fragility of the supply of full-time postgraduates is a major issue for the College and poses a financial risk, which the Council continues to monitor closely.

The decision to leave the European Union has the potential to affect the College adversely because of major uncertainty in the following areas: international student recruitment; recruitment of post-doctoral researchers as Junior Research Fellows and College Research Associates; and the employment of EU workers. The College Council will give a high priority to managing and mitigating these risks.

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 focus on enhancing the student experience. 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.

**OPERATING AND FINANCIAL REVIEW (continued)**

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 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 President is the head of the College, and holds the position for a seven-year tenure. The current President, Professor Sir Richard Evans, completes his term of office on 30 September 2017, and in the course of 2016-17 the Governing Body of the College will be electing his successor.



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	IT Strategy	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 2016 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 2016 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 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 TO THE GOVERNING BODY OF WOLFSON COLLEGE

We have audited the financial statements of Wolfson College for the year ended 30 June 2016 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated statement of changes in reserves, the consolidated and College balance sheets, the consolidated cash flow statement and the related notes. 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).

This report is made solely to the College's Governing Body in accordance with the College's Statutes, the Statutes of the University of Cambridge and with section 151 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 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 which give a true and fair view.

We have been appointed as auditor under section 151 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 2016 and of the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- 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.



INDEPENDENT AUDITOR'S REPORT (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.

Peters Elworthy & Moore
Chartered Accountants and Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

9 November 2016



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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 Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. 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.

Basis of consolidation

The consolidated financial statements include the College and its active subsidiary undertaking, Wolfson College Cambridge Enterprises 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. Details of the subsidiary undertakings are set out in note 20. The activities of student societies have not been consolidated, because they are separate bodies which are not within the financial 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.

Grant income

Grants received from non-government sources are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance-related conditions have been met.

Income received in advance of performance-related conditions is deferred on the balance sheet and released to the Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Donations and endowments

Donations and endowments are non-exchange transactions. They are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

Donations with donor imposed restrictions are held in restricted reserves until such time that expenditure is incurred in accordance with the restrictions.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective;
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College;
3. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective;
4. Restricted expendable endowments – the donor has specified a particular objective and the College has the power to use the capital element of the fund.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Investment income and changes in value of investment assets

Investment income and changes in the value of investment assets are recorded in income in the period in which they arise and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

Other income

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

Cambridge Bursary Scheme

In 2015-16, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). The University of Cambridge reimbursed the SLC for the full amount and each College paid its share (based on its own eligible students) to the University.

Each College shows the gross payment made to eligible students within education expenditure and the contribution from the University and the Isaac Newton Trust as income within academic fees and charges.

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 comprehensive income and expenditure for the financial year.

Non-current assets

Freehold land and buildings

Land is included at deemed cost, being its fair value on the date of transition to FRS102. Land is not depreciated as it is considered to have an indefinite useful life.

Buildings are stated at cost less accumulated depreciation. Costs incurred after initial purchase or construction are capitalised to the extent that they increase the expected future benefit to the College. Buildings and capital improvements are depreciated on a straight line basis over their expected useful economic life of 20-50 years (2%-5% per annum).

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.

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)

Leased assets

The College does not currently have any assets acquired under finance leases. 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. Acquisitions 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 and endowment asset investments are included in the balance sheet at fair value.

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.

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 was a defined benefit only scheme until 31 March 2016 which was 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, assets are not hypothecated 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 and therefore, as required by Section 28 of FRS102 'Employee Benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme in respect of the accounting period. Since the College has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the College recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense within expenditure.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The CCFPS is a defined benefit scheme with the assets 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 a valuation is obtained as at 30 June annually. The amount charged to expenditure represents the amount calculated under FRS102 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 expenditure 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 Balance Sheet.

Employment benefits

Short term employment benefits such as salaries and holiday pay are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured at the additional amount the College expects to pay as a result of the unused entitlement.

Reserves

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold in perpetuity. Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

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.

Transition to 2015 RCCA

The College is preparing its financial statements in accordance with 2015 RCCA for the first time, amended for the adoption of FRS102, and consequently has applied the first time adoption requirements. An explanation of how the transition to the 2015 RCCA has affected the reported financial position, financial performance and cash flows of the consolidated results of the College is provided in note 22.

Application of first time adoption grants certain exemptions from the full requirements of 2015 RCCA in the transition period. The following exemptions have been taken into these financial statements:

- fair value or revaluation as deemed cost: at 1 July 2014, fair value has been used as deemed cost for freehold land.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 30 June

	Note	2016			Total £'000	2015			Total £'000
		Unrestricted £'000	Restricted £'000	Endowment £'000		Unrestricted £'000	Restricted £'000	Endowment £'000	
Income									
Academic fees and charges	2	2,217	260	-	2,477	2,012	322	-	2,334
Residences, catering and conferences	3	3,508	-	-	3,508	3,232	-	-	3,232
Investment income	4	557	145	-	702	503	129	-	632
Total income before donations and endowments		6,282	405	-	6,687	5,747	451	-	6,198
Donations		178	145	-	323	294	128	-	422
New endowments		-	-	122	122	-	-	213	213
Capital grant from Colleges Fund		-	-	718	718	-	-	621	621
Other capital grants for assets		-	803	-	803	-	10	-	10
Total income		6,460	1,353	840	8,653	6,041	589	834	7,464
Expenditure									
Education	5	2,544	530	-	3,074	2,547	538	-	3,085
Residences, catering and conferences	6	3,421	-	-	3,421	3,350	-	-	3,350
Other expenditure	7	241	-	-	241	258	-	-	258
Total expenditure	8	6,206	530	-	6,736	6,155	538	-	6,693
Surplus / (deficit) before other gains and losses		254	823	840	1,917	(114)	51	834	771
Gain on investments	11	36	69	704	809	135	138	1,529	1,802
Surplus for the year		290	892	1,544	2,726	21	189	2,363	2,573
Other comprehensive income									
Actuarial gain in respect of pension schemes	16	164	-	-	164	164	-	-	164
Total comprehensive income for the year		454	892	1,544	2,890	185	189	2,363	2,737

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**

For the year ended 30 June

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Balance at 1 July 2014 as previously stated	13,696	1,758	16,079	31,533
Prior year changes on transition to FRS102:				
- land valuation (note 10)	22,000	-	-	22,000
- deferred capital grants	1,758	(1,758)	-	-
- deferred donations	20	-	-	20
- restricted reserves	(86)	86	-	-
- expendable endowments	-	1,365	(1,365)	-
- permanent endowment income	-	17	(17)	-
- holiday pay accrual	(45)	-	-	(45)
- pension deficit provision	(227)	-	-	(227)
Balance at 1 July 2014 as restated	37,116	1,468	14,697	53,281
Surplus for the year	21	189	2,363	2,573
Other comprehensive income	164	-	-	164
Release of restricted capital funds spent in the year	40	(40)	-	-
Balance at 30 June 2015	37,341	1,617	17,060	56,018
Surplus for the year	290	892	1,544	2,726
Other comprehensive income	164	-	-	164
Release of restricted capital funds spent in the year	803	(803)	-	-
Balance at 30 June 2016	38,598	1,706	18,604	58,908

**CONSOLIDATED AND COLLEGE BALANCE SHEETS**

As at 30 June		2016 Group £'000	2016 College £'000	2015 Group £'000	2015 College £'000
	Note				
Non-current assets					
Fixed assets	10	38,139	38,139	37,556	37,556
Heritage assets	10	365	365	365	365
Investments	11	21,687	21,687	19,982	19,982
		60,191	60,191	57,903	57,903
Current assets					
Stocks		63	63	78	78
Trade and other receivables	12	358	421	346	390
Cash and cash equivalents	13	2,450	2,376	1,938	1,886
		2,871	2,860	2,362	2,354
Creditors: amounts falling due within one year	14	(985)	(975)	(1,003)	(996)
Net current assets		1,886	1,885	1,359	1,358
Total assets less current liabilities		62,077	62,076	59,262	59,261
Creditors: amounts falling due after more than one year	15	(1,200)	(1,200)	(1,200)	(1,200)
Provisions					
Pension provisions	16	(1,969)	(1,969)	(2,044)	(2,044)
Total net assets		58,908	58,907	56,018	56,017
Represented by:					
Restricted reserves					
Income and expenditure reserve - endowment	17	18,604	18,604	17,060	17,060
Income and expenditure reserve - restricted	18	1,706	1,706	1,617	1,617
Unrestricted reserves					
Income and expenditure reserve - unrestricted		38,598	38,597	37,341	37,340
Total reserves		58,908	58,907	56,018	56,017

The financial statements were approved by the Governing Body on 9 November 2016 and signed on its behalf by:

Christopher Lawrence, Bursar

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 30 June	Note	2016 £'000	2015 £'000
Cash flow from operating activities:			
Surplus for the year		2,726	2,573
<i>Adjustment for non-cash items:</i>			
- depreciation	10	907	810
- pension costs less contributions payable		66	133
- gain on investments	11	(809)	(1,802)
- (increase) / decrease in stocks		15	(21)
- increase in trade and other receivables		(12)	(86)
- increase / (decrease) in creditors		(18)	115
- increase in provisions		23	210
<i>Adjustment for investing or financing activities:</i>			
- investment income		(702)	(632)
- endowment income		(840)	(834)
- capital grants for assets		(803)	(10)
- interest payable		58	58
Net cash inflow from operating activities		611	514
Cash flows from investing activities:			
Investment income		702	632
Endowment income		840	834
Endowment funds invested	11	(896)	(854)
Capital grants for assets		803	10
Payments made to acquire fixed assets	10	(1,490)	(958)
		(41)	(336)
Cash flows from financing activities:			
Interest paid		(58)	(58)
		(58)	(58)
Increase in cash and cash equivalents in the year		512	120
Cash and cash equivalents at beginning of the year	13	1,938	1,818
Cash and cash equivalents at end of the year	13	2,450	1,938

**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 that provided by 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 comprehensive expenditure. 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 statements.

2 Academic fees and charges	2016	2015
	£'000	£'000
Fee income		
Fee income received at the regulated undergraduate rate*	433	443
Fee income received at the unregulated undergraduate rate**	404	366
Fee income received at the graduate rate***	1,308	1,090
	2,146	1,899
Other income		
Research fellow support	54	119
Cambridge Bursaries	217	236
Teaching and other income	34	42
College courses	26	38
Total	2,477	2,334

* 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'. This rate is set by the University up to a limit set by the Government.

** 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.

*** This rate is a fixed proportion of the course fees set by the University.

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

3 Residences, catering and conferences income	2016	2015
	£'000	£'000
Accommodation		
College members	2,691	2,634
Conferences	222	130
Catering		
College members	448	392
Conferences	147	76
Total	3,508	3,232
4 Investment income	2016	2015
	£'000	£'000
Income from:		
Unquoted securities - unit trust *		
- endowment assets	634	567
- fixed asset investments	52	50
Cash	16	15
Total	702	632
* invested in Cambridge University Endowment Fund units		
5 Education expenditure	2016	2015
	£'000	£'000
Teaching	895	892
Tutorial	643	671
Admissions	175	172
Research	308	355
Scholarships and awards	266	180
Cambridge Bursaries	232	248
Other educational facilities	552	563
College courses	3	4
Total	3,074	3,085
6 Residences, catering and conferences expenditure	2016	2015
	£'000	£'000
Accommodation		
College members	2,084	2,154
Conferences	172	106
Catering		
College members	1,042	1,032
Conferences	123	58
Total	3,421	3,350

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

7 Other expenditure	2016	2015
	£'000	£'000
Alumni relations	115	124
Loan interest	58	58
Pension schemes' finance charges (see note 16)	68	76
Total	241	258

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

8a Analysis of expenditure by activity		Staff costs	Other		
		(note 9)	operating	Depreciation	Total
		2016	expenses	2016	2016
	Note	£'000	£'000	£'000	£'000
Education	5	1,463	1,245	366	3,074
Residences, catering and conferences	6	1,695	1,188	538	3,421
Other	7	71	167	3	241
		3,229	2,600	907	6,736

Expenditure includes fundraising costs of £115k. This expenditure does not include the costs of alumni relations which are disclosed in note 7.

		Staff costs	Other		
		(note 9)	operating	Depreciation	Total
		2015	expenses	2015	2015
		£'000	£'000	£'000	£'000
Education	5	1,575	1,181	329	3,085
Residences, catering and conferences	6	1,702	1,169	479	3,350
Other	7	85	171	2	258
		3,362	2,521	810	6,693

Expenditure includes fundraising costs of £124k. This expenditure does not include the costs of alumni relations which are disclosed in note 7.

8b Auditor's remuneration	2016	2015
	£'000	£'000
Other operating expenses include:		
Audit fees payable to the Group's external auditor (including VAT)	19	23
Other fees payable to the Group's external auditor (including VAT)	2	-

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

9 Staff costs	College Fellows £'000	Non- Academic £'000	Total 2016 £'000	Total 2015 £'000
Staff costs:				
Salaries	533	2,099	2,632	2,574
National Insurance	39	138	177	167
Pension costs	77	343	420	621
	649	2,580	3,229	3,362
Average staff numbers (full time equivalents):				
Academic	9	-	9	9
Non-academic	2	89	91	88
	11	89	100	97

There were 123 Fellows (excluding the President) in the Governing Body as at 1 December 2015, 25 of whom were stipendiary, as declared above.

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

Key management personnel and Trustees

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. The key management personnel are the members of the College Council, who act as the Trustees of the charity. The Trustees received no emoluments in their capacity as Trustees.

Staff costs include aggregate emoluments (salary plus taxable benefits excluding any employer's pension contribution) paid to key management personnel of:

	2016 £'000	2015 £'000
College Officers <i>ex officio</i>	236	235
Fellows elected by the Governing Body	76	67
	312	302

**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 2016 £'000	Total 2015 £'000
Cost				
At beginning of year	45,509	3,417	48,926	47,988
Additions at cost	1,088	402	1,490	958
Disposals	-	(97)	(97)	(20)
Cost at end of year	46,597	3,722	50,319	48,926
Depreciation				
At beginning of year	9,185	2,185	11,370	10,580
Charge for the year	524	383	907	810
Disposals	-	(97)	(97)	(20)
Depreciation at end of year	9,709	2,471	12,180	11,370
Net book value				
As at 30 June 2016	36,888	1,251	38,139	
As at 30 June 2015	36,324	1,232	37,556	

The declared value of freehold buildings for insurance purposes as at 30 June 2016 was £49,147,821 (2015: £48,661,209).

Freehold land

The freehold property, comprising the land element only of Wolfson College's estate, was valued as at 1 July 2014 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of: the RICS valuation – Professional Standards, January 2014 amendment; Financial Reporting Standard 102; and the 2014 Statement of Recommended Practice 'Accounting for Further and Higher Education'. The valuation was undertaken on a Fair Value basis, with operational land valued on a Fair Value basis equating to Market Value on the assumption of a continuation of the existing use. The valuation is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced, except where stated separately within the valuation report.

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	
	2016 £'000	2015 £'000
Capital expenditure contracted but not provided for	556	960

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

11	Non-current investments	Group and College			
		2016 £'000	2015 £'000		
	Balance at beginning of year	19,982	17,326		
	Additions	896	854		
	Gain	809	1,802		
	Balance at end of year	21,687	19,982		
	Represented by:				
	Unquoted securities - unit trust	20,694	19,010		
	Unquoted securities - equities	993	972		
	Total	21,687	19,982		
	Analysis by asset:				
	Endowments	20,200	18,532		
	Fixed asset investments	1,487	1,450		
	Total	21,687	19,982		
12	Trade and other receivables	Group	College	Group	College
		2016 £'000	2016 £'000	2015 £'000	2015 £'000
	Members of the College	110	110	123	123
	Amounts due from subsidiary undertakings	1	87	1	54
	Other receivables	132	109	141	132
	Prepayments and accrued income	115	115	81	81
	Total	358	421	346	390
13	Cash and cash equivalents	Group	College	Group	College
		2016 £'000	2016 £'000	2015 £'000	2015 £'000
	Short-term money market investments	100	100	300	300
	Bank deposits	2,124	2,124	1,522	1,522
	Bank current accounts	221	147	111	59
	Cash in hand	5	5	5	5
	Total cash and cash equivalents	2,450	2,376	1,938	1,886
	Analysis by asset:				
	Endowments	26	26	61	61
	Other cash and cash equivalents	2,424	2,350	1,877	1,825
	Total	2,450	2,376	1,938	1,886

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

14 Creditors: amounts falling due within one year	Group	College	Group	College
	2016	2016	2015	2015
	£'000	£'000	£'000	£'000
Trade creditors	462	462	461	461
Members of the College	216	216	233	233
University fees	74	74	42	42
Other creditors (PAYE, NI, VAT)	77	71	69	66
Accruals and deferred income	156	152	198	194
Total	985	975	1,003	996

15 Creditors: amounts falling due after more than one year	Group and College	
	2016	2015
	£'000	£'000
Bank loan	1,200	1,200

Interest is payable on the loan at 4.8%. The loan is repayable in August 2048.

16 Pension provisions (see note 19)	CCFPS	USS deficit	Group and College	
	liability	provision	Total	Total
	£'000	£'000	2016	2015
	£'000	£'000	£'000	£'000
Balance at beginning of year	1,607	437	2,044	1,866
<i>Movement in the year:</i>				
Current service cost	179	-	179	186
Contributions	(173)	-	(173)	(123)
Other charge to staff costs	-	15	15	203
Other finance costs	60	8	68	76
Actuarial (gain) / loss	(164)	-	(164)	(164)
Balance at end of year	1,509	460	1,969	2,044

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

17 Endowments	Unrestricted permanent £'000	Restricted permanent £'000	Group and College	
			Total 2016 £'000	Total 2015 £'000
Balance at beginning of year	15,607	1,453	17,060	14,697
New endowments received	723	117	840	834
Transfers	(1,354)	1,354	-	-
Gain on investments	588	116	704	1,529
Balance at end of year	15,564	3,040	18,604	17,060
Representing:				
Fellowship Funds	-	-	-	-
Scholarship Funds	-	1,642	1,642	1,520
Prize Funds	-	65	65	50
Hardship Funds	-	769	769	704
Bursary Funds	-	81	81	72
Travel Grant Funds	-	41	41	39
Library Funds	-	295	295	282
Other Funds	-	147	147	140
General	15,564	-	15,564	14,253
Total	15,564	3,040	18,604	17,060
Analysis by asset:				
Investments	15,563	3,037	18,600	17,046
Cash	1	3	4	14
	15,564	3,040	18,604	17,060

**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 £'000	Expendable endowment £'000	Total 2016 £'000	Total 2015 £'000
Balance at beginning of year						
Capital	-	-	-	1,496	1,496	1,318
Accumulated income	-	84	20	17	121	150
	-	84	20	1,513	1,617	1,468
Academic income	-	260	-	-	260	322
Investment income	-	-	95	50	145	129
New donations	-	109	-	36	145	128
New grants	803	-	-	-	803	10
Expenditure	-	(369)	(79)	(82)	(530)	(538)
Capital grants utilised	(803)	-	-	-	(803)	(40)
Gain on investments	-	-	-	69	69	138
Balance at end of year						
Capital	-	-	-	1538	1538	1,496
Accumulated income	-	84	36	48	168	121
	-	84	36	1,586	1,706	1,617
Representing:						
Fellowship Funds	-	-	-	446	446	444
Scholarship Funds	-	6	22	798	826	769
Prize Funds	-	-	2	2	4	4
Hardship Funds	-	-	-	62	62	59
Bursary Funds	-	36	2	130	168	150
Travel Grant Funds	-	-	3	-	3	3
Library Funds	-	1	-	3	4	4
Other Funds	-	41	7	145	193	184
General	-	-	-	-	-	-
Total	-	84	36	1,586	1,706	1,617
Analysis by asset:						
Investments	-	-	-	1,600	1,600	1,486
Cash	-	84	36	(14)	106	131
	-	84	36	1,586	1,706	1,617

**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 2014 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:

	2016	2015
Discount rate	2.8%	3.7%
Increase in salaries	2.4%*	2.75%**
Retail Prices Index (RPI) assumption	2.9%	3.25%
Consumer Prices Index (CPI) assumption	1.9%	3.25%
Pension increases in payment (RPI max 5.0% p.a.)	2.7%	3.05%
Pension increases in payment (CPI max 2.5% p.a.)	1.7%	n/a

*1.5% in 2016; 2.4% thereafter

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

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI 2015 future improvement factors and a long term rate of future improvement of 1% p.a. (2015: same base table with the CMI 2014 future improvement factors and a long term future improvement rate of 1.0% p.a.). This results in the following life expectancies:

- Males aged 65 now have a life expectancy of 21.9 years;
- Females aged 65 now have a life expectancy of 23.9 years;
- Males aged 45 now and retiring in 20 years have a life expectancy of 23.2 years on retirement;
- Females aged 45 now and retiring in 20 years have a life expectancy of 25.4 years on retirement.

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

	2016	2015
	£'000	£'000
Present value of plan liabilities	(5,629)	(5,071)
Market value of plan assets	4,120	3,464
Net defined benefit liability	(1,509)	(1,607)

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

	2016	2015
	£'000	£'000
Current service cost	179	186
Interest on net defined benefit liability	60	70
Total	239	256

**NOTES TO THE ACCOUNTS****19a Cambridge Colleges Federated Pension Scheme (continued)**

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

	2016	2015
	£'000	£'000
Present value of plan liabilities at beginning of year	5,071	4,677
Current service cost (including employee contributions)	187	195
Benefits paid	(119)	(126)
Interest on plan liabilities	189	198
Actuarial losses	301	127
Present value of plan liabilities at end of year	5,629	5,071

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

	2016	2015
	£'000	£'000
Market value of plan assets at beginning of year	3,464	3,039
Contributions paid by the College	173	123
Employee contributions	8	9
Benefits paid	(119)	(126)
Interest on plan assets	129	128
Return on assets, less interest included in income and expenditure	465	291
Market value of plan assets at end of year	4,120	3,464
Actual return on plan assets	594	420

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

	2016	2015
Equities	59%	69%
Bonds & Cash	35%	25%
Property	6%	6%
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:

	2016	2015
	£'000	£'000
Actual return less expected return on plan assets	465	291
Experience gains and losses arising on plan liabilities	189	81
Changes in assumptions underlying the present value of plan liabilities	(490)	(209)
Actuarial gain recognised in OCI	164	164

**NOTES TO THE ACCOUNTS****19a Cambridge Colleges Federated Pension Scheme (continued)**

Movement in the deficit during the year ending 30 June are:

	2016	2015
	£'000	£'000
Deficit in plan at beginning of year	(1,607)	(1,638)
Recognised in expenditure	(239)	(256)
Contributions paid by the College	173	123
Actuarial gain recognised in OCI	164	164
Deficit in plan at end of year	(1,509)	(1,607)

Funding valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the funding valuation are different to those adopted under FRS102.

The last such valuation was as at 31 March 2014. 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 4 March 2016 and are as follows:

- annual contributions of not less than £34,697 payable for the period from 1 July 2015 to 31 March 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2017.

19b Universities Superannuation Scheme

The total cost charged to the consolidated statement of comprehensive income and expenditure is £249,589 (2015: £451,803).

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method.

Since the College cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 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.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2016	2015
Discount rate	3.6%	3.3%
Pensionable salary growth	n/a	3.5% in the first year and 4.0% thereafter
Pension increases (CPI)	2.2%	2.2%

**NOTES TO THE ACCOUNTS****19b Universities Superannuation Scheme (continued)**

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	98% of S1NA ["light"] YoB tables – no age rating
Female members' mortality	99% of 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 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies (in years) on retirement at age 65 are:

	2016	2015
Males currently aged 65	24.3	24.2
Females currently aged 65	26.5	26.4
Males currently aged 45	26.4	26.3
Females currently aged 45	28.8	28.7
	2016	2015
Scheme assets	£49.8bn	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

20 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%

21 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.

**NOTES TO THE ACCOUNTS****22 Transition to 2015 RCCA**

As explained in the accounting policies, these are the College's first financial statements prepared in accordance with FRS102 and the 2015 RCCA. The accounting policies have been applied in preparing the comparative information for the year ended 30 June 2015 and for the opening financial position as at 1 July 2014, resulting in a restatement of these figures.

In accordance with FRS102, a reconciliation of opening balances is provided here:

Financial Performance	2015	
	£'000	
Surplus on continuing operations as previously stated		208
Revised treatment of deferred donation		(1)
Revised treatment of deferred capital grants		(33)
Accrual of employee holiday compensation		(6)
Movement in USS deficit provision		(210)
<i>Gains / (losses) previously recognised in the Statement of Total Recognised Gains and Losses:</i>		
- New endowments		253
- Capital grant from Colleges Fund		621
- Increase in market value of investments		1,802
- Actuarial gain in pension scheme		103
Total comprehensive income as restated		2,737
Financial Position	2014	2015
	£'000	£'000
Total funds as previously stated	31,533	34,487
Fair value of land as deemed cost on transition	22,000	22,000
Revised treatment of deferred donation	20	19
Accrual of employee holiday compensation	(45)	(51)
USS deficit provision	(227)	(437)
Total reserves as restated	53,281	56,018