



WOLFSON COLLEGE CAMBRIDGE

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

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 2017 was 887. 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 452 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; and is registered with the Fundraising Regulator.

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).

## 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 £9.68m. Total expenditure for the year (including depreciation of £1.08m but excluding capital expenditure of £1.72m) was £8.05m, leading to a surplus (before other gains and losses) of £1.63m and total comprehensive income for the year of £3.33m. The main sources of income were academic fees (£3.08m) and accommodation/catering (£3.74m). The main area of expenditure was staff costs of £3.51m.

Endowment investments, which are mainly invested in the Cambridge University Endowment Fund (CUEF), were valued at £26.44m at 30 June 2018. In addition, the College held fixed asset investments of £12.52m in the CUEF at the year end (including £10m of new funding from a private placement in June 2018), bringing the total of endowment and other investments to £38.96m. Net assets were £67.29m.

## PROFESSIONAL ADVISERS

### Auditor

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

### Solicitors

Ashtons Legal  
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](http://www.wolfson.cam.ac.uk)

Charity Registration No. 1138143

**CHARITY TRUSTEES**

The members of the College Council act as the Trustees of the charity. The College Council meets at least eight times in a year. In the financial year 2017-18 the following were members of the College Council:

**Five College Officers *ex officio***

Professor Sir Richard Evans (to 30 September 2017)	President; Chair of the Council
Professor Jane Clarke (from 1 October 2017)	President; Chair of the Council
Mr Graham Allen	Vice-President
Mr Christopher Lawrence	Bursar; Secretary of the Council
Dr Jane McLarty	Senior Tutor
Ms Sian Cook	Development Director

**Ten Fellows elected by the Governing Body**

Dr Anna Bagnoli  
 Dr Joanna Dekkers  
 Dr David Frost (to 30 September 2017)  
 Dr Conrad Guettler (to 30 September 2017)  
 Dr Lesley MacVinish  
 Mr Paul Mylrea (from 1 October 2017)  
 Mr Michael O'Sullivan  
 Professor Stephen Oliver (to 30 September 2017)  
 Professor George Salmond (from 1 October 2017)  
 Dr Jamie Trinidad  
 Dr Steve Watson (from 1 October 2017)  
 Mrs Meg Westbury (from 1 October 2017)  
 Professor Alun Williams (to 30 September 2017)  
 Professor James Wood

**Three Students from the Wolfson College Student Association (WCSA)**

President of WCSA:

Mr Justin Yang (to 13 November 2017)                      Mr Brian Robertson (from 14 November 2017)

Vice-President of WCSA:

Mr Jason Phan (to 13 November 2017)                      Mr Mohammed Ibrahim (from 14 November 2017)

Treasurer of WCSA:

Mr Ben Chaudhri (to 13 November 2017)                      Mr Jack Sharp (from 14 November 2017)

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 106 Governing Body Fellows as at 1 December 2017. 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](http://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 over 800 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 some 200 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 and other Colleges. For the academic year 2017-18, awards totalling £378.3k were made to 74 Wolfson undergraduates (£362.2k to 76 undergraduates in 2016-17): 54 were awarded the maximum mature student bursary of £5,600; and a further 20 were awarded an average of £3,793. The net cost to the College for participation in this scheme was £33.5k after contributions by the University and other Colleges of £344.8k. 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 2017-18 was £590.6k to 106 students (£348.8k to 79 students in 2016-17). Within the total of £590.6k, £90.0k was awarded to nine students in receipt of Vice-Chancellor's Awards worth £201.0k in total. The Vice-Chancellor's Awards scheme exists to support UK and EU PhD students across the University. In addition to awards made to named students by a College, all Colleges are required to contribute to the Vice-Chancellor's Awards scheme irrespective of their participation in the scheme, and the amount required to be paid by the College in 2017-18 was £49.8k.

The College supports students through a grant scheme to assist with attendance at conferences and travel grants. The total awarded in 2017-18 was £49.4k to 95 students (£46.5k to 89 students in 2016-17).

In addition to its other programmes, the College operates a hardship scheme for students in financial hardship. The total awarded in 2017-18 was £55.2k to 49 students (£36.0k to 41 students in 2016-17).

The College awards prizes to its students for academic distinction. The total awarded in prizes in 2017-18 was £7.8k to 26 students (£11.1k to 37 students in 2016-17).

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.

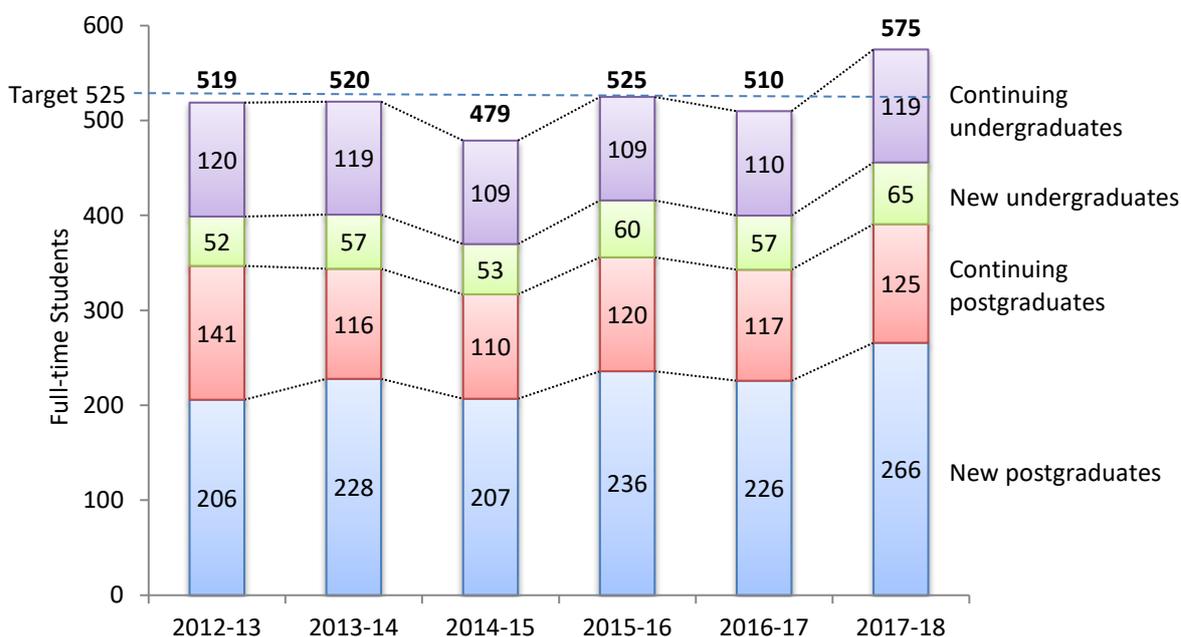


**OPERATING AND FINANCIAL REVIEW**

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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 887 represent an increase on the previous year (838). The key measure is full-time students, and the College has a strategic target of 525 full-time students per year. The following chart shows the figures for full-time students over the past six 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.

Meanwhile, the total number of undergraduates remained above target at 184, and the total full-time student body of 575 was split one-third undergraduates and two-thirds postgraduates. The College’s 204 part-time postgraduates also continued to play an important part in the College’s mix of students.



## OPERATING AND FINANCIAL REVIEW (continued)

The College has 409 units of student accommodation, mainly for single occupation but some for couples, accommodating up to 429 in total. In addition there are five family flats. The remaining 38 units of accommodation are for visiting academics, part-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 2017-18, 369 students (370 in 2016-17) graduated as follows:

- 52 (67\*) with a PhD (\*including 1 EdD and 1 MD)
- 164 (178) with an MPhil or other full-time one year postgraduate course
- 115 (70) with an MSt or MEd (part-time Masters courses)
- 38 (55) with a BA\*, MB, Vet MB or BTh (\*including 5 BA+MEng and 1 BA+MSci)

## 2 Consolidated Statement of Comprehensive Income and Expenditure

The Statement of Comprehensive Income and Expenditure (SOCIE) shows total comprehensive income for the year of £3.33m.

Academic income, at £3.08m, was higher than in the previous year (£2.79m). Of this total, £2.68m 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 University and other Colleges for Cambridge Bursaries: £345k appears as income from this source, with a corresponding figure in expenditure of £378k, i.e. there was a net cost to the College of £33k.

Residential and catering income, at £3.74m, was also higher than the previous year (£3.49m).

There was a further increase in endowment and investment income (from £783k to £897k), mainly as a result of increased investment in the Cambridge University Endowment Fund and the performance of the Fund.

Donations are classified as one of the following: unrestricted or restricted donations for spending in the current year; new permanent 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, compared to the previous year's figure of £2.23m.

Total expenditure within the SOCIE was £8.05m, including depreciation of £1.08m (representing 13.4% of expenditure). The proportion of total expenditure (excluding depreciation) spent on staff costs was 50.4% (£3.51m). The cost of the three pension schemes on offer to staff (USS, CCFPS, NOW) was £335k, representing 9.5% of staff costs. Pension costs include charges resulting from the movements of both the CCFPS liability and the USS deficit provision.

Other significant cash outflows which are not included in the SOCIE are investments made in the Cambridge University Endowment Fund (CUEF) (£11.68m) and fixed asset additions (£1.72m). £10m of the investments in the CUEF was the result of a private placement carried out by the College in June 2018, whereby Sun Life Assurance Company of Canada invested £10m in the College for 35 years with a coupon of 2.70%. The College's intent is to invest the full £10m funding in the CUEF or other similar funds for the duration of the 35 years.

## 3 Consolidated Balance Sheet

Net assets increased from £63.95m to £67.29m. A number of capital transactions relating to refurbishment and acquisitions, costing £1.72m, 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:

<b>Additions to buildings</b>	<b>£'000</b>	<b>Additions to fittings and equipment</b>	<b>£'000</b>
Refurbishment of E-G staircases	987	Wireless network installation	209
Other	75	IT hardware	116
		Other	337
<b>sub-total</b>	<b>1,062</b>	<b>sub-total</b>	<b>662</b>
		<b>Total Additions</b>	<b>1,724</b>

**OPERATING AND FINANCIAL REVIEW (continued)**

The College properties had a declared value of £52.19m for insurance purposes.

The endowment is included on more than 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 £26.45m (2017: £24.07m).

**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. The investment objective is therefore RPI+1% after distributions and costs.

In the year to June 2018 the College invested a further £11.89m in the CUEF, made up of: £1.11m of new endowment funds; £211k of existing endowment funds previously invested with Cazenove Capital Management; and £10.57m additional fixed asset investments, of which £10.00m was from the private placement referred to above.

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

<b>Wolfson College investments in the CUEF</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
Unit value	£57.72	£54.89
Number of units (endowment)	446,253	423,096
Number of units (fixed asset investments)	216,879	33,344
<b>Total number of units</b>	<b>663,132</b>	<b>456,440</b>
Value of units (endowment)	£25.76m	£23.22m
Value of units (fixed asset investments)	£12.52m	£1.83m
<b>Total value of units</b>	<b>£38.28m</b>	<b>£25.05m</b>

The College received distributions totalling £881k (£813k from the endowment units and £68k from the fixed asset investment units), giving a distribution yield of 3.52% on the opening capital value.

The total return for the CUEF for the year to 30 June 2018 was 8.8%. The MSCI All Country World index was up 8.9% for the same period and the FTSE All Share index was up 9.0%. The annualised total return of the Fund for the ten years to 30 June 2018 was 10.0%, which compares to 7.9% over the same period for its long-term investment objective of RPI + 5.25% and 8.9% for the composite benchmark. The CUEF had a total fund value of £3.19 billion at 30 June 2018.

The asset allocation of the CUEF was as follows:

<b>CUEF asset classes</b>	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>%</b>	<b>%</b>
Public equity	59	59
Private equity	9	13
Absolute return	10	12
Credit	5	-
Real assets	11	12
Fixed interest/cash	6	4

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 £684k as at 30 June 2018 (2017: £857k).

**OPERATING AND FINANCIAL REVIEW (continued)****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 2018 were £67.29m, of which £40.33m 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 (excluding the investment relating to the £10m private placement) 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. The figure for realisable unrestricted reserves at 30 June 2018 was £4.77m, above the range of £2.01-4.03m, which enables the College to accelerate its capital expenditure plans.

**6 Fundraising and Alumni Relations**

Fundraising is a major part of the role of the Development & Alumni Relations Office, which was established in 2008. The College is registered with the Fundraising Regulator and does not use third-party professional fundraisers. Fundraising is geared towards: the annual fund, for spending in the current year; the endowment, for spending over the longer term; or capital grants, to support building or refurbishment projects. As set out above, the endowment creates a stream of income also for spending in the current year. Total donations were as follows:

	<b>30 June 2018</b>	<b>30 June 2017</b>
	<b>£'000</b>	<b>£'000</b>
Colleges Fund grant	844	735
Wolfson Foundation capital grant	-	250
Donations by individuals up to £50k	315	223
Donations by individuals above £50k	345	-
Bequests from individuals' estates	157	704
The Alborada Trust	160	160
The Frank Jackson Foundation	80	80
Other Trusts and Foundations	-	62
Collegiate Development Accelerator Fund	40	-
Cambridge University Press	24	-
Santander Universities	-	15
<b>Total Donations</b>	<b>1,965</b>	<b>2,229</b>

Donations, whether made to the annual fund, to the endowment or as capital grants, make a significant difference to what the College can achieve, especially in the area of student support. Membership of the Morrison Society is given to those who have made a pledge to the College in their Will, and enables the College to recognise and thank such supporters in their lifetime. At 30 June 2018 there were 88 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 11,500 alumni, of whom more than half live outside the UK in over 150 different countries. An e-bulletin (*Ring True*) is emailed to nearly 10,000 members six times a year, who also receive the *Wolfson Review* magazine annually. A reunion weekend for alumni is held each September, and a large number of events was arranged for members throughout the year.



## OPERATING AND FINANCIAL REVIEW (continued)

### 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 in 2017-18 exceeded 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.

The College has a buoyant undergraduate population, above the target of 150, and in 2017-18 the full-time postgraduate population was above the target of 375. However, the College is looking to shift the balance gradually of its full-time postgraduate population from 46% Doctoral : 54% Masters to 60% Doctoral : 40% Masters, in line with the balance found in the University as a whole.

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 has a number of staff in two defined benefit schemes – USS and CCFPS – both of which are in deficit (see Note 19). As at 30 June 2018 there were 48 staff members in USS (whose salaries represented 36% of the June 2018 payroll) and 20 members in CCFPS (representing 14% of the June 2018 payroll). The College is making deficit reduction contributions to both schemes. The employer contributions to CCFPS have increased in 2018, and the employer contributions to USS are set to increase in 2019, depending on the outcomes firstly of a statutory employee consultation process and secondly of the findings of the Joint Expert Panel set up in 2018 to review the 2017 valuation of the scheme. The College closed CCFPS to new entrants in 2008, which has helped markedly to reduce the exposure to uncertainties associated with the scheme. In the case of USS, the number of new entrants has slowed down considerably since the introduction of a defined contribution scheme for non-academic staff, which helps to manage the risk of the College's liabilities increasing.

The College has a detailed risk register which the College Council reviews annually. In this register the risks are set out in the following areas: Students; Finance, Funding & Fundraising; College Estate & Infrastructure; Staff, Fellowship, Membership & Governance; The Changing Landscape of Cambridge; Government & Legislation; and Reputation. A number of risks are analysed in each area. As well as setting out the likelihood of occurrence and severity of impact, the risk register also sets out control procedures, monitoring processes, risk owners and further actions. Through the regular review and development of this risk register, the College Council believes it is able to manage risk appropriately.

### 8 Future Plans

The President is the head of the College, and holds the position for a seven-year tenure. Professor Sir Richard Evans completed his term of office on 30 September 2017, and Professor Jane Clarke became the College's sixth President on 1 October 2017.

Under the leadership of Professor Clarke, the College is undertaking a major strategic planning exercise, the first draft outcomes of which were presented to the Governing Body in October 2018. The conclusions of this new strategic plan will determine the College's priorities for the next six years. There is also a ten-year capital expenditure 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. 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. 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.

The programme to refurbish the 1970's accommodation in East and West Courts continued with the refurbishment in summer 2017 of E-G staircases and in summer 2018 of J staircase. This programme will continue in summer 2019 with the refurbishment of K-L staircases.



## 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 & Student Events	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 2018 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 2018 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

### Opinion

We have audited the financial statements of Wolfson College (the 'College') for the year ended 30 June 2018 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governing Body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Governing Body is responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.



## **INDEPENDENT AUDITOR'S REPORT (continued)**

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

### **Matters on which we are required to report by exception**

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

- the information given in the Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the Governing Body**

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

In preparing the financial statements, the Governing Body is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.



## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **Use of our report**

This report is made solely to the Governing Body, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and the Charities Act 2011. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Governing Body, for our audit work, for this report, or for the opinions we have formed.

### **PETERS ELWORTHY & MOORE**

Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

7 November 2018

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



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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**

Payment of the Cambridge Bursaries to eligible students is made directly by the Student Loans Company (SLC). The College reimburses the SLC for the full amount and the University of Cambridge and other Colleges pay their shares to the College.

Each College shows the gross payment made to eligible students within education expenditure and the contribution from the University and other Colleges 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 type schemes, the Cambridge Colleges Federated Pension Scheme (CCFPS) and the Universities Superannuation Scheme (USS); and one defined contribution scheme (NOW:Pensions).

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.



## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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

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.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE**

For the year ended 30 June

	Note	2018				2017			
		Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
<b>Income</b>									
Academic fees and charges	2	2,737	345	-	3,082	2,457	336	-	2,793
Residences, catering and conferences	3	3,739	-	-	3,739	3,492	-	-	3,492
Investment income	4	714	183	-	897	620	163	-	783
<b>Total income before donations and endowments</b>		<b>7,190</b>	<b>528</b>	<b>-</b>	<b>7,718</b>	<b>6,569</b>	<b>499</b>	<b>-</b>	<b>7,068</b>
Donations		160	714	-	874	749	414	-	1,163
New endowments		-	-	245	245	-	-	77	77
Capital grant from Colleges Fund		-	-	844	844	-	-	735	735
Other capital grants for assets		-	2	-	2	-	254	-	254
<b>Total income</b>		<b>7,350</b>	<b>1,244</b>	<b>1,089</b>	<b>9,683</b>	<b>7,318</b>	<b>1,167</b>	<b>812</b>	<b>9,297</b>
<b>Expenditure</b>									
Education	5	3,096	945	-	4,041	2,702	768	-	3,470
Residences, catering and conferences	6	3,729	-	-	3,729	3,475	-	-	3,475
Other expenditure	7	284	-	-	284	250	-	-	250
<b>Total expenditure</b>	8	<b>7,109</b>	<b>945</b>	<b>-</b>	<b>8,054</b>	<b>6,427</b>	<b>768</b>	<b>-</b>	<b>7,195</b>
<b>Surplus before other gains and losses</b>		<b>241</b>	<b>299</b>	<b>1,089</b>	<b>1,629</b>	<b>891</b>	<b>399</b>	<b>812</b>	<b>2,102</b>
Gain on investments	11	118	99	1,156	1,373	221	241	2,807	3,269
<b>Surplus for the year</b>		<b>359</b>	<b>398</b>	<b>2,245</b>	<b>3,002</b>	<b>1,112</b>	<b>640</b>	<b>3,619</b>	<b>5,371</b>
<b>Other comprehensive income</b>									
Actuarial gain/(loss) in respect of pension schemes	16	331	-	-	331	(326)	-	-	(326)
<b>Total comprehensive income for the year</b>		<b>690</b>	<b>398</b>	<b>2,245</b>	<b>3,333</b>	<b>786</b>	<b>640</b>	<b>3,619</b>	<b>5,045</b>

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**

For the year ended 30 June

	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
<b>Balance at 1 July 2016</b>	<b>38,598</b>	<b>1,706</b>	<b>18,604</b>	<b>58,908</b>
Surplus for the year	1,112	640	3,619	5,371
Other comprehensive income	(326)	-	-	(326)
Release of restricted capital funds spent in the year	254	(254)	-	-
<b>Balance at 30 June 2017</b>	<b>39,638</b>	<b>2,092</b>	<b>22,223</b>	<b>63,953</b>
Surplus for the year	359	398	2,245	3,002
Other comprehensive income	331	-	-	331
Release of restricted capital funds spent in the year	2	(2)	-	-
<b>Balance at 30 June 2018</b>	<b>40,330</b>	<b>2,488</b>	<b>24,468</b>	<b>67,286</b>

**CONSOLIDATED AND COLLEGE BALANCE SHEETS**

As at 30 June		2018 Group £'000	2018 College £'000	2017 Group £'000	2017 College £'000
	<b>Note</b>				
<b>Non-current assets</b>					
Fixed assets	10	38,768	38,768	38,128	38,128
Heritage assets	10	365	365	365	365
Investments	11	38,963	38,963	25,909	25,909
		<b>78,096</b>	<b>78,096</b>	<b>64,402</b>	<b>64,402</b>
<b>Current assets</b>					
Stocks		56	56	53	53
Trade and other receivables	12	501	577	928	983
Cash and cash equivalents	13	2,734	2,626	3,028	2,963
		<b>3,291</b>	<b>3,259</b>	<b>4,009</b>	<b>3,999</b>
<b>Creditors: amounts falling due within one year</b>	14	(1,044)	(1,013)	(986)	(977)
<b>Net current assets</b>		<b>2,247</b>	<b>2,246</b>	<b>3,023</b>	<b>3,022</b>
<b>Total assets less current liabilities</b>		<b>80,343</b>	<b>80,342</b>	<b>67,425</b>	<b>67,424</b>
<b>Creditors: amounts falling due after more than one year</b>	15	(11,110)	(11,110)	(1,200)	(1,200)
<b>Provisions</b>					
Pension provisions	16	(1,947)	(1,947)	(2,272)	(2,272)
<b>Total net assets</b>		<b>67,286</b>	<b>67,285</b>	<b>63,953</b>	<b>63,952</b>
<b>Represented by:</b>					
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment	17	24,468	24,468	22,223	22,223
Income and expenditure reserve - restricted	18	2,488	2,488	2,092	2,092
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted		40,330	40,329	39,638	39,637
<b>Total reserves</b>		<b>67,286</b>	<b>67,285</b>	<b>63,953</b>	<b>63,952</b>

The financial statements were approved by the Governing Body on 7 November 2018 and signed on its behalf by:

Christopher Lawrence  
Bursar

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 30 June	Note	2018 £'000	2017 £'000
<b>Cash flow from operating activities:</b>			
Surplus for the year		3,002	5,371
<i>Adjustment for non-cash items:</i>			
- depreciation	10	1,084	948
- pension costs less contributions payable		75	59
- gain on investments	11	(1,373)	(3,269)
- (increase)/decrease in stocks		(3)	10
- (increase)/decrease in trade and other receivables		427	(570)
- increase in creditors		58	1
- decrease in provisions		(69)	(82)
<i>Adjustment for investing or financing activities:</i>			
- investment income	4	(897)	(783)
- new endowments and Colleges Fund grant	17	(1,089)	(812)
- capital grants for assets	18	(2)	(254)
- interest payable	7	58	58
<b>Net cash inflow from operating activities</b>		<b>1,271</b>	<b>677</b>
<b>Cash flows from investing activities:</b>			
Investment income	4	897	783
New endowments and Colleges Fund grant	17	1,089	812
Endowment funds invested	11	(1,111)	(830)
Payments made to acquire non-current asset investments	11	(10,570)	(123)
Capital grants for assets	18	2	254
Payments made to acquire fixed assets	10	(1,724)	(937)
		<b>(11,417)</b>	<b>(41)</b>
<b>Cash flows from financing activities:</b>			
Interest paid	7	(58)	(58)
Private placement	15	10,000	-
Private placement arrangement fees	15	(90)	-
		<b>9,852</b>	<b>(58)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<b>(294)</b>	<b>578</b>
Cash and cash equivalents at beginning of the year	13	3,028	2,450
Cash and cash equivalents at end of the year	13	2,734	3,028

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

**1 Critical accounting judgements and key sources of estimation uncertainty**

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

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

Universities Superannuation Scheme (USS)

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in comprehensive expenditure in accordance with section 28 of FRS102. The Governing Body is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

<b>2 Academic fees and charges</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Fee income</b>		
Fee income received at the regulated undergraduate rate (a)	494	495
Fee income received at the unregulated undergraduate rate (b)	574	438
Fee income received at the postgraduate rate (c)	1,608	1,454
	<b>2,676</b>	<b>2,387</b>
<b>Other income</b>		
Research Fellow support	2	10
Cambridge Bursaries	345	336
Teaching and other income	27	25
College courses	32	35
<b>Total</b>	<b>3,082</b>	<b>2,793</b>

(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 fees set by the University.

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

<b>3 Residences, catering and conferences income</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Accommodation</b>		
College members	2,679	2,659
Conferences	384	293
<b>Catering</b>		
College members	449	393
Conferences	227	147
<b>Total</b>	<b>3,739</b>	<b>3,492</b>
<b>4 Investment income</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Income from:</b>		
Unquoted securities - unit trust *		
- endowment assets	813	714
- fixed asset investments	68	55
Cash	16	14
<b>Total</b>	<b>897</b>	<b>783</b>
* invested in Cambridge University Endowment Fund units		
<b>5 Education expenditure</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Teaching	982	907
Tutorial	741	682
Admissions	240	174
Research	336	276
Scholarships and awards	753	490
Cambridge Bursaries	378	362
Other educational facilities	608	574
College courses	3	5
<b>Total</b>	<b>4,041</b>	<b>3,470</b>
<b>6 Residences, catering and conferences expenditure</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Accommodation</b>		
College members	2,097	2,028
Conferences	300	224
<b>Catering</b>		
College members	1,144	1,095
Conferences	188	128
<b>Total</b>	<b>3,729</b>	<b>3,475</b>

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

<b>7 Other expenditure</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Alumni relations	170	141
Loan interest	58	58
Pension schemes' finance charges (see note 16)	56	51
<b>Total</b>	<b>284</b>	<b>250</b>

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

<b>8a Analysis of expenditure by activity</b>		<b>Staff costs</b>	<b>Other</b>		
		<b>(note 9)</b>	<b>operating</b>	<b>Depreciation</b>	<b>Total</b>
		<b>2018</b>	<b>expenses</b>	<b>2018</b>	<b>2018</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Education	5	1,602	1,995	444	4,041
Residences, catering and conferences	6	1,806	1,287	636	3,729
Other	7	103	177	4	284
		<b>3,511</b>	<b>3,459</b>	<b>1,084</b>	<b>8,054</b>

Expenditure includes fundraising costs of £170k. This amount does not include the costs of alumni relations which are disclosed in note 7.

		<b>Staff costs</b>	<b>Other</b>		
		<b>(note 9)</b>	<b>operating</b>	<b>Depreciation</b>	<b>Total</b>
		<b>2017</b>	<b>expenses</b>	<b>2017</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Education	5	1,466	1,630	374	3,470
Residences, catering and conferences	6	1,713	1,191	571	3,475
Other	7	87	160	3	250
		<b>3,266</b>	<b>2,981</b>	<b>948</b>	<b>7,195</b>

Expenditure includes fundraising costs of £141k. This amount does not include the costs of alumni relations which are disclosed in note 7.

<b>8b Auditor's remuneration</b>	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
<b>Other operating expenses include:</b>		
Audit fees payable to the Group's external auditor (including VAT)	18	18
Other fees payable to the Group's external auditor (including VAT)	1	1

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

9 Staff costs	Fellows £'000	Non- Fellows £'000	Total 2018 £'000	Total 2017 £'000
Salaries	594	2,352	2,946	2,737
National Insurance	52	178	230	208
Pension costs	47	288	335	321
	<b>693</b>	<b>2,818</b>	<b>3,511</b>	<b>3,266</b>

**Average staff numbers (full-time equivalents):**

Academic	9	-	9	8
Non-academic	3	92	95	93
	<b>12</b>	<b>92</b>	<b>104</b>	<b>101</b>

There were 106 Fellows (excluding the President) in the Governing Body as at 1 December 2017, 23 of whom were stipendiary, representing 11 full-time equivalent College Fellows included 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:

	2018 £'000	2017 £'000
College Officers <i>ex officio</i>	276	235
Fellows elected by the Governing Body	83	66
	<b>359</b>	<b>301</b>

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

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

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

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

**Heritage assets**

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

<b>Capital commitments</b>	<b>Group and College</b>	
	<b>2018 £'000</b>	<b>2017 £'000</b>
Capital expenditure contracted but not provided for	936	838

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

11 Non-current investments	Group and College			
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Balance at beginning of year	25,909	21,687		
Additions	11,681	953		
Gain	1,373	3,269		
<b>Balance at end of year</b>	<b>38,963</b>	<b>25,909</b>		
Represented by:				
Unquoted securities - unit trust	38,279	25,052		
Unquoted securities - equities	684	857		
<b>Total</b>	<b>38,963</b>	<b>25,909</b>		
Analysis by asset:				
Endowments - permanent	24,466	22,220		
Endowments - expendable	1,978	1,859		
Fixed asset investments	12,519	1,830		
<b>Total</b>	<b>38,963</b>	<b>25,909</b>		
<b>12 Trade and other receivables</b>	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Members of the College	129	129	121	121
Amounts due from subsidiary undertakings	1	132	1	82
Other receivables	131	76	162	136
Prepayments and accrued income	240	240	644	644
<b>Total</b>	<b>501</b>	<b>577</b>	<b>928</b>	<b>983</b>
<b>13 Cash and cash equivalents</b>	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Short-term money market investments	900	900	900	900
Bank deposits	1,597	1,597	1,978	1,978
Bank current accounts	230	122	148	83
Cash in hand	7	7	2	2
<b>Total cash and cash equivalents</b>	<b>2,734</b>	<b>2,626</b>	<b>3,028</b>	<b>2,963</b>
Analysis by asset:				
Endowments – permanent	2	2	3	3
Endowments – expendable	1	1	(14)	(14)
Other cash and cash equivalents	2,731	2,623	3,039	2,974
<b>Total</b>	<b>2,734</b>	<b>2,626</b>	<b>3,028</b>	<b>2,963</b>

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

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

15 Creditors: amounts falling due after more than one year	Group and College	
	2018	2017
	£'000	£'000
Bank loan	1,200	1,200
Private placement	10,000	-
Private placement arrangement fees	(90)	-
<b>Total</b>	<b>11,110</b>	<b>1,200</b>

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

Interest is payable on the private placement at 2.7%. The placement is repayable in June 2053.

16 Pension provisions (see note 19)	CCFPS	USS deficit	Group and College	
	liability	provision	Total	Total
	£'000	£'000	2018	2017
	£'000	£'000	£'000	£'000
<b>Balance at beginning of year</b>	1,894	378	2,272	1,969
<i>Movement in the year:</i>				
Current service cost	157	-	157	159
Administrative expenses	13	-	13	13
Contributions	(145)	-	(145)	(156)
Other allocation to staff costs	-	(75)	(75)	(90)
Other finance costs	50	6	56	51
Actuarial (gain) / loss	(331)	-	(331)	326
<b>Balance at end of year</b>	<b>1,638</b>	<b>309</b>	<b>1,947</b>	<b>2,272</b>

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

17 Permanent endowments	Group and College			
	Unrestricted permanent £'000	Restricted permanent £'000	Total 2018 £'000	Total 2017 £'000
<b>Balance at beginning of year</b>	18,666	3,557	22,223	18,604
New endowments received	909	180	1,089	812
Transfers	-	-	-	-
Gain on investments	966	190	1,156	2,807
<b>Balance at end of year</b>	<b>20,541</b>	<b>3,927</b>	<b>24,468</b>	<b>22,223</b>
<b>Representing:</b>				
Fellowship Funds	-	-	-	-
Scholarship Funds	-	2,192	2,192	1,929
Prize Funds	-	81	81	76
Hardship Funds	-	967	967	900
Bursary Funds	-	101	101	95
Travel Grant Funds	-	50	50	47
Library Funds	-	358	358	340
Other Funds	-	178	178	170
General	20,541	-	20,541	18,666
<b>Total</b>	<b>20,541</b>	<b>3,927</b>	<b>24,468</b>	<b>22,223</b>
<b>Analysis by asset:</b>				
Investments	20,541	3,925	24,466	22,220
Cash	-	2	2	3
	<b>20,541</b>	<b>3,927</b>	<b>24,468</b>	<b>22,223</b>

**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 2018 £'000	Total 2017 £'000
<b>Balance at beginning of year</b>						
Capital	-	-	-	1,774	1,774	1,538
Accumulated income	-	247	42	29	318	168
	-	<b>247</b>	<b>42</b>	<b>1,803</b>	<b>2,092</b>	<b>1,706</b>
Academic income	-	345	-	-	345	336
Investment income	-	-	121	62	183	163
New donations	-	693	-	21	714	414
New grants	2	-	-	-	2	254
Expenditure	-	(777)	(107)	(61)	(945)	(768)
Capital grants utilised	(2)	-	-	-	(2)	(254)
Gain on investments	-	1	-	98	99	241
<b>Balance at end of year</b>						
Capital	-	-	-	1,901	1,901	1,774
Accumulated income	-	509	56	22	587	318
	-	<b>509</b>	<b>56</b>	<b>1,923</b>	<b>2,488</b>	<b>2,092</b>
<b>Representing:</b>						
Fellowship Funds	-	92	-	540	632	581
Scholarship Funds	-	280	36	952	1,268	1,001
Prize Funds	-	-	4	2	6	5
Hardship Funds	-	-	-	73	73	70
Bursary Funds	-	40	2	172	214	209
Travel Grant Funds	-	-	-	8	8	1
Library Funds	-	-	-	-	-	2
Other Funds	-	97	14	176	287	223
General	-	-	-	-	-	-
<b>Total</b>	-	<b>509</b>	<b>56</b>	<b>1,923</b>	<b>2,488</b>	<b>2,092</b>
<b>Analysis by asset:</b>						
Investments	-	16	-	1,978	1,994	1,874
Cash	-	493	56	(55)	494	218
	-	<b>509</b>	<b>56</b>	<b>1,923</b>	<b>2,488</b>	<b>2,092</b>

Some endowments are classified as expendable rather than permanent to reflect the wishes of the donor, when the donor expects their donation to be retained for the benefit of the College with a view to it having an impact over a number of years while also providing flexibility to spend capital as required.

**NOTES TO THE ACCOUNTS****19 Pension schemes**

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

**19a Cambridge Colleges Federated Pension Scheme**

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

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

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

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

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

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

	<b>Male</b>	<b>Female</b>
Active Members – Option 1 Benefits	65	63
Deferred Members – Option 1 Benefits	62	60

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in these calculations.

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Present value of plan liabilities	(6,379)	(6,498)
Market value of plan assets	4,741	4,604
<b>Net defined benefit liability</b>	<b>(1,638)</b>	<b>(1,894)</b>

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

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	157	159
Administrative expenses	13	13
Interest on net defined benefit liability	50	43
<b>Total</b>	<b>220</b>	<b>215</b>

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Present value of plan liabilities at beginning of year	6,498	5,629
Current service cost	157	159
Employee contributions	9	8
Benefits paid	(163)	(200)
Interest on plan liabilities	169	157
Actuarial (gains) / losses	(291)	745
<b>Present value of plan liabilities at end of year</b>	<b>6,379</b>	<b>6,498</b>

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Market value of plan assets at beginning of year	4,604	4,120
Contributions paid by the College	145	156
Employee contributions	9	8
Benefits paid	(163)	(200)
Administrative expenses paid	(23)	(21)
Interest on plan assets	119	114
Return on assets, less interest included in income and expenditure	50	427
<b>Market value of plan assets at end of year</b>	<b>4,741</b>	<b>4,604</b>
Actual return on plan assets	169	541

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

	<b>2018</b>	<b>2017</b>
Equities	64%	67%
Bonds & Cash	30%	27%
Property	6%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

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

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

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Return on assets less interest included in comprehensive income	50	427
Expected less actual plan expenses	(10)	(8)
Experience gains and losses arising on plan liabilities	12	(13)
Changes in assumptions underlying the present value of plan liabilities	279	(732)
<b>Re-measurement of net defined benefit liability recognised in OCI</b>	<b>331</b>	<b>(326)</b>

Movement in the net defined benefit liability during the year ending 30 June are:

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Net defined benefit liability at beginning of year	(1,894)	(1,509)
Recognised in expenditure	(220)	(215)
Contributions paid by the College	145	156
Re-measurement of net defined benefit liability recognised in OCI	331	(326)
<b>Net defined benefit liability at end of year</b>	<b>(1,638)</b>	<b>(1,894)</b>

Actuarial 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 actuarial valuation are different to those adopted under FRS102.

The last such valuation was as at 31 March 2017. 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 28 June 2018 and are as follows:

- annual contributions of not less than £35,069 p.a. payable for the period from 1 July 2018 to 31 March 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2020.

**19b Universities Superannuation Scheme**

The total cost charged to the consolidated statement of comprehensive income and expenditure is £134,369 (2017: £142,027).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme was at 31 March 2014 ('the valuation date'), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

Since the College cannot identify its share of Retirement Income Builder section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the section as a whole.

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

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. These figures will be revised once the 2017 Scheme Valuation is complete.

Defined benefit liability numbers for the Scheme for accounting purposes have been produced using the following assumptions as at 31 March:

	<b>2018</b>	<b>2017</b>
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.02%	2.41%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analyses of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2018</b>	<b>2017</b>
Mortality base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. <u>Post-retirement:</u> 96.5% of SAPS S1NMA 'light' for males and 101.3% of RFV00 for females.	98% of SAPS S1NA 'light' YOB unadjusted for males.  99% of SAPS S1NA 'light' YOB with a -1 year adjustment for females.
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.	CMI_2014 with a long term rate of 1.5% p.a.

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

	<b>2018</b>	<b>2017</b>
Males currently aged 65	24.5	24.4
Females currently aged 65	26.0	26.6
Males currently aged 45	26.5	26.5
Females currently aged 45	27.8	29.0

	<b>2018</b>	<b>2017</b>
Scheme assets	£63.6bn	£60.0bn
Total Scheme liabilities	£72.0bn	£77.5bn
FRS102 total Scheme deficit	£8.4bn	£17.5bn
FRS102 total funding level	88%	77%

**NOTES TO THE ACCOUNTS****20 Subsidiary Undertakings**

The College's subsidiary undertakings, all of which are companies incorporated in the United Kingdom, are as follows:

<b>Undertaking</b>	<b>Activity</b>	<b>Holding</b>	<b>%</b>
Wolfson College Cambridge Enterprises 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.