



WOLFSON COLLEGE CAMBRIDGE

**ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2020**

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 2019 was 1,012. 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 and older houses absorbed into the site and landscaped gardens. The residential buildings include approximately 450 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).

COVID-19

On 18 March 2020 the Vice-Chancellor of the University of Cambridge announced that the University was moving into its “red phase” in response to the Coronavirus pandemic. He asked all students – both undergraduate and postgraduate – to return home immediately. Face-to-face teaching in the Easter term was cancelled and all teaching and examinations moved online. All University staff, except those needed for business-critical activity, were asked to work from home.

The College responded to the University’s announcement by similarly asking all students to return home if they could and by requiring all staff, except those who provided essential on-site services, to work from home. The College instituted its Critical Incident Management Plan, setting up Gold, Silver and Bronze teams to plan and oversee the College’s response to the pandemic.

Whilst approximately 75% of the College’s resident students were able to return home in response to the Vice-Chancellor’s announcement, over 100 students remained in residence, mostly due to restrictions on travel. The College maintained essential support services throughout the lockdown period. Students who fully vacated their residences were released from their obligation under their room licences to continue to pay rent. This resulted in a significant reduction in income from accommodation.

In order to reduce the risk of infection, the College site was closed to all but essential visitors throughout the lockdown period. All in-person events, formal dining, conferencing events (residential and non-residential), the College’s Academic Visitor Programme and extra-curricular activities were cancelled. The coffee bar and cafeteria, initially open for take-away service, closed when demand decreased significantly.

On 20 March 2020 the government announced the introduction of the Coronavirus Job Retention Scheme (or “furlough scheme”). In its original form, the scheme allowed employers to claim back 80% of the salaries (including National Insurance Contributions) of staff placed on furlough leave, subject to certain limits and other terms and conditions. The College entered into furlough agreements with 122 of its staff, which resulted in a total of £259k for monthly claims for the period March to June 2020. The College continued to pay its furloughed staff 100% of their salaries throughout that period. Annual cost-of-living- increases for all staff, however, were put on hold for reconsideration in the Michaelmas Term 2020.

By the end of June 2020, activity in College was very much reduced, with almost all administrative staff working from home, a reduced number of “essential workers” on site, working in rotas, and all other staff who were eligible, on furlough leave. The College successfully moved many of its educational and social activities on-line, taking the opportunity to connect with its international community of students and alumni in new ways.



SUMMARY FINANCIAL RESULTS

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

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

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

Net assets were £69.08m.

PROFESSIONAL ADVISERS

Auditor

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

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 No. 1138143



CHARITY TRUSTEES

The College Officers and elected Fellow members of the College Council act as the Trustees of the charity. The College Council meets at least eight times in a year. In the financial year 2019-20 the following were members of the College Council:

Five College Officers *ex officio*

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

Ten Fellows elected by the Governing Body

Dr Anna Bagnoli (to 30 September 2019)
Professor Ian Cross (from 1 October 2019)
Dr Anna Dempster (from 1 October 2019)
Dr Lesley MacVinish
Dr Guillaume Nataf (from 1 October 2019)
Mr Paul Mylrea (to 30 September 2019)
Mr Michael O'Sullivan
Professor Lloyd Peck (from 1 October 2019)
Professor George Salmond
Dr Jamie Trinidad (to 30 September 2019)
Dr Martin Vestergaard
Dr Steve Watson
Dr Meg Westbury (to 30 September 2019)
Professor James Wood

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

President of WCSA: Mr David Izuogu (to November 2019)	Mr Jacob Werth (from November to December 2019) Mr Benjamin Remez (from February 2020)
Vice-President of WCSA: Mr Paul Matthews (to November 2019)	Mr Kenneth Okwor (from November 2019)
Treasurer of WCSA: Mr Joseph Kelen (to November 2019)	Mr Daniel Sowood (from November 2019)

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 102 Governing Body Fellows as at 1 December 2019. 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 14.



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 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 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 275 part-time postgraduate students and its encouragement of part-time students allows individuals to benefit from a Cambridge education who might not otherwise have access.

The focus of the College is strongly academic and students are required to satisfy high academic entry requirements.

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 2019-20, awards totalling £369.6k were made to 77 Wolfson undergraduates (£373.0k to 74 undergraduates in 2018-19): 48 were awarded the maximum independent student bursary of £5,600; and a further 29 were awarded an average of £3,476. The net cost to the College for participation in this scheme was £46.6k after contributions by the University and other Colleges of £323.0k. The scheme is widely advertised on the University website, on College websites and in the Admissions Prospectus. Enhanced Bursaries totalling £31.9k in 2019/2020, funded by a donation from Santander Universities UK and a grant from Trinity College, were also awarded to undergraduates needing additional support.

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 2019-20 was £549.5k to 143 students (£553.6k to 124 students in 2018-19). Within the total of £549.5k, £98.0k was awarded to 10 students in receipt of Vice-Chancellor's Awards worth £223.2 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 2019-20 was £62.3k (£47.1k in 2018-19).

The College supports students through a grant scheme to assist with travel and attendance at conferences. The total awarded in 2019-20 was £30.1k to 88 students (£42.1k to 85 students in 2018-19).

In addition to its other programmes, the College operates a hardship scheme for students in financial hardship. The total awarded in 2019-20 was £18.6k to 43 students (£22.5k to 39 students in 2018-19).

The College awards prizes to its students for academic distinction. The total awarded in prizes in 2019-20 was £15.9k to 53 students (£9.6k to 32 students in 2018-19).

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. All salaries are reviewed annually by the Personnel Committee.

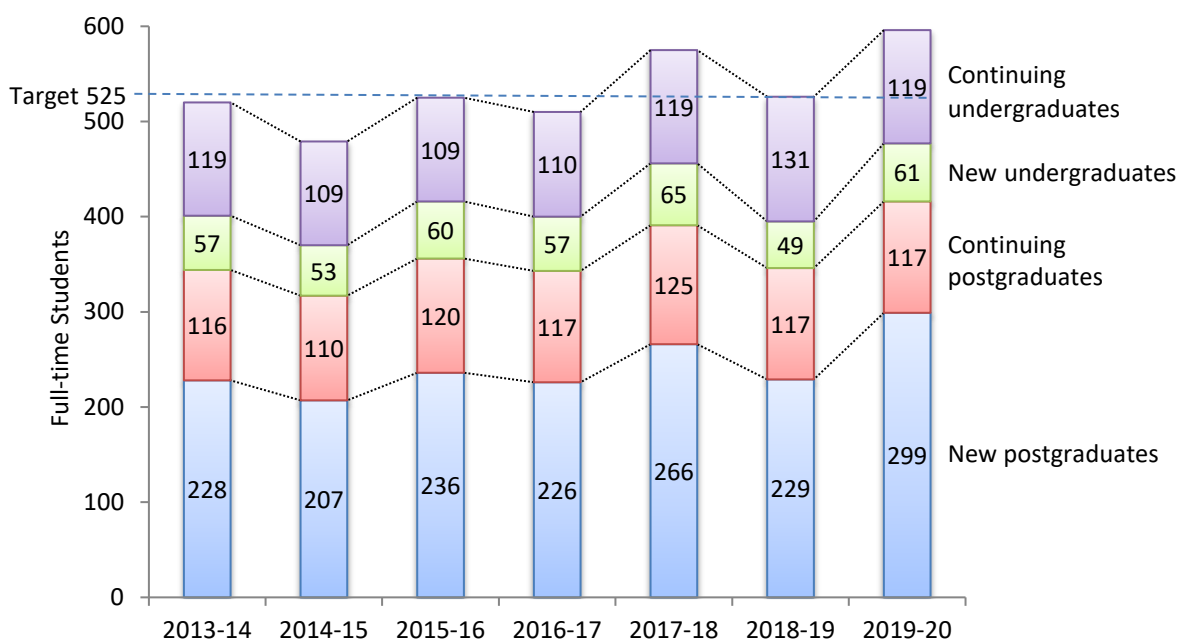


OPERATING AND FINANCIAL REVIEW

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



The target of 525 breaks down into a target of 375 full-time postgraduates and 150 undergraduates, and there is a clearly stated objective to increase the number of PhD and other doctoral level students: increased financial support for students at this level is one of the College’s fundraising priorities. This year, in addition to the postgraduate students who selected the College, the College was allocated an exceptionally high number of postgraduate students through the allocation system, resulting in 41 students above the College’s target.

Meanwhile, the total number of undergraduates also remained above target at 180. The total full-time student body of 596 was split one-third undergraduates and two-thirds postgraduates. The College’s 275 part-time postgraduates also continued to play an important part in the College’s mix of students.



OPERATING AND FINANCIAL REVIEW (continued)

1 Student Numbers (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.

2 Income and Expenditure

The Statement of Comprehensive Income and Expenditure (SOCIE) shows total comprehensive income for the year of £1.03m.

Increased student numbers resulted in academic income of £3.53m, which was higher than in the previous year (£3.07m). Of this total, £3.16m is made up of fees paid by or on behalf of students, as set out in detail in note 1. Within academic income are included the contributions from the University and other Colleges for Cambridge Bursaries: £323k appears as income from this source, with a corresponding figure in expenditure of £370k, i.e. there was a net cost to the College of £47k.

Accommodation and catering income, at £2.99m, was significantly lower than the previous year (£3.83m) as a result of the impact of the COVID-19 pandemic.

There was an increase in endowment and investment income (from £1.39m to £1.50m), 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 £2.00m, compared to the previous year's figure of £1.65m. Donations include a grant from the Colleges Fund of £920k in 2019-20 (£876k in 2018-19). This grant is usually added to endowment, however this year, because of the financial impact of the COVID-19 pandemic, the Colleges Fund Committee agreed that recipients of the grant may use it for operational purposes. The grant is therefore included in unrestricted income.

Total expenditure within the SOCIE was £8.54m, including depreciation of £1.23m (which represents 14.4% of expenditure). The proportion of total expenditure (excluding depreciation) spent on staff costs was 52.7% (£3.85m), however this includes a significant reduction in costs resulting from a decrease in the USS deficit provision of £400k (2018-19 charge of £557k). The liability is based on the College's obligation over a number of years to contribute to the USS deficit recovery plan. The time period over which these contributions are to be made has been reduced following national consultation, thereby reducing the future liability. The cost of the three pension schemes on offer to staff (USS, CCFPS, NOW), excluding the USS deficit provision change, was £510k, representing 12.0% of staff costs before the USS provision change. Pension costs include charges resulting from the movements of the CCFPS liability.

3 Capital Additions

A number of capital transactions relating to refurbishment and acquisitions, costing £1.27m, are shown in note 10, and the details are as follows:

Additions to buildings	£'000	Additions to fittings and equipment	£'000
Refurbishment of K&L staircases	814	IT hardware	94
Main building roof	180	Other	185
sub-total	994	sub-total	279
		Total Additions	1,273

**OPERATING AND FINANCIAL REVIEW (continued)****4 Investments**

Since 1 July 2010 the major part of the College's endowment has been invested in the Cambridge University Endowment Fund (CUEF).

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

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

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

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

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

The CUEF had a total fund value of £3.26 billion at 30 June 2020. The asset allocation of the CUEF was as follows:

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

In addition to its investment in the CUEF, the College still holds endowment funds in two private equity funds with Cazenove Capital Management which were valued at £567k as at 30 June 2020 (2019: £617k).

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 2020 were £69.08m, of which £40.56m 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 cost 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 2020 was £5.36m, above the specified range of £2.13-4.27m, but considered beneficial in the current uncertain circumstances.

**OPERATING AND FINANCIAL REVIEW (continued)****6 Fundraising and Alumni Relations**

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

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

Donations, whether made to the annual fund, to the endowment or as capital grants, make a significant difference to what the College can achieve, especially in the area of student support. Membership of the Morrison Society is given to those who have made a pledge to the College in their Will, and enables the College to recognise and thank such supporters in their lifetime. At 30 June 2020 there were 99 members of the Morrison Society.

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

7 Principal Risks and Uncertainties

The College has a detailed risk register which the College Council reviews annually. In this register the risks are set out in the following areas: Students; Finance, Funding & Fundraising; College Estate & Infrastructure; Staff, Fellowship, Membership & Governance; The Changing Landscape of Cambridge; Government & Legislation; and Reputation. 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. Whilst the risk of a pandemic was not listed as a specific risk, the College's Critical Incident Management Plan provided an effective framework for governing the College's response to the pandemic.

The principal risks and uncertainties facing the College are:

COVID-19 - Students: The trajectory of the pandemic and its longer term economic, social and health effects are still unknown. Initial concerns about student numbers for the 2020-21 academic year appear to be unrealised and, in the event of further lockdown, the College has announced its intention to continue to house all of its resident students for the duration of their room licences, subject to contrary advice from the government. Cambridge University has adapted the delivery of its teaching and assessment so that this is available online for the 2020-21 academic year but many elements of the "Cambridge experience" – educational and social - will not be possible whilst the pandemic persists. If it is not clear whether these elements will return for the 2021-22 academic year, it may be more challenging to recruit and maintain target student numbers.



OPERATING AND FINANCIAL REVIEW (continued)

7 Principal Risks and Uncertainties (continued)

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

COVID-19 – Conferences: Whilst the College has received moderate income from external conferences, such business is unlikely to resume and reach previous levels for some time. It is anticipated that many customers will restrict their expenditure on such events until the economic pressures due to the pandemic are relieved.

External political and economic threats: 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. From 2021-2022 EU/EEA/Swiss students will no longer be eligible for Home Fee status or financial assistance from Student Finance England which is likely to impact the number of applications the College will receive from these students.

Economic factors which might affect the College's sources of income: 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 2019-20 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 significant before affecting rental income. Fee income, however, is more sensitive to shifts in student numbers.

Staff pension costs: The College has a number of staff in two defined benefit schemes – USS and CCFPS – both of which are in deficit (see Note 21). As at 30 June 2020 there were 44 staff members in USS (whose salaries represented 30% of the June 2020 payroll) and 17 members in CCFPS (representing 11% of the June 2020 payroll). The College is making deficit reduction contributions to both schemes. 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.

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

8 Future Plans

Looking to the immediate future, the College's priority is to ensure the safety and wellbeing of its community throughout the pandemic. Contrary to expectations at the start of the pandemic, applications from prospective students for the academic year commencing in October 2020, have been above target levels. The College's accommodation is expected to be full and plans are in place to provide students with an educational and social experience that is as fulfilling as possible in the circumstances. The College has taken all appropriate measures to provide a "COVID-Secure" environment for its students and staff and has plans in place to support its community in the event of outbreaks of the virus.

Whilst responding to the pandemic will undoubtedly take up a significant amount of time and resource, the College is also looking to the future. The disruption caused by the pandemic has presented opportunities to improve processes and to review the College's strategic priorities for the future. Under the leadership of the College's sixth President, Professor Jane Clarke, the College has already undertaken a major strategic review. The first outcomes of the review were presented to the Governing Body in October 2018 and have formed the basis of the College's strategic plan: <https://www.wolfson.cam.ac.uk/about-wolfson/governance/strategic-plan>.



OPERATING AND FINANCIAL REVIEW (continued)

8 Future Plans (continued)

The plan sets ambitious targets in the areas of education and learning, student recruitment, the student experience, College membership and the intellectual and cultural life of the College. The experience of the pandemic has underscored the importance of meeting these targets as soon as practicable. This year the College established interdisciplinary hubs in the fields of global health and of sustainability and conservation, which have been highly successful in bringing together many sections of the College's community. The switch to online events because of the pandemic has also attracted much larger, international audiences and increased alumni and public engagement in a way that had not previously been anticipated. The College plans to continue this trajectory of wider engagement in order to promote the College's charitable objects and to recruit the best students.

The pandemic has also identified possibilities for different ways of working and providing core services. With an increasing need for flexibility, the College is reviewing its estate and facilities. This will be the first step towards creating a master plan for its estate so that the College can start to plan for a more environmentally sustainable site and renewed facilities for its student body, as funding permits.



CORPORATE GOVERNANCE

- 1 The following statement is provided by the Trustees to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
- 2 The College is a registered charity (registered number 1138143) and subject to regulation by the Charity Commission for England and Wales. The members of the Council are the charity trustees and are responsible for ensuring compliance with charity law.
- 3 The Trustees are advised in carrying out their duties by a number of Committees, including:

Development	Educational Policy	Fellowship & Membership
Finance	Health & Safety	House & Student Events
IT Strategy	Personnel	Sustainability
- 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; 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 2020 are set out on page 5.

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 of effectiveness.
- 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 2020 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 2020 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 2020 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 15, 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. 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

11 November 2020

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

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.

The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

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 because they are dormant. Details of the subsidiary undertakings are set out in note 22. 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 accommodation, 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.

The net payment of £47k is shown within the Consolidated Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£323k
Expenditure (see note 5)	£370k

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.

Investments

Fixed asset and endowment asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation.



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Stocks

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

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent assets and liabilities

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

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

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

Financial instruments

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of ownership are transferred to another party.

**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)****Financial instruments (continued)****Financial liabilities**

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

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

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

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

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

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

Taxation

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

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

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 global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased as the majority of students returned home in March 2020. Students are expected to return to the College at the start of the new academic year in October 2020, therefore the majority of College activities will resume. However, it is unlikely that conference activity will be able to resume in the immediate future.

Forecasts have been prepared for the period to 2023 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources. The College has taken measures to reduce its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has sought to utilise the Coronavirus Job Retention Scheme, one of the financial measures announced by the Chancellor of the Exchequer, on behalf of HM Treasury to support and provide funding to businesses during this time. The College also has investments which could be realised if required.

The Trustees consider that the Group will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.



CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the College's accounts requires management to make judgements, estimates and assumptions that affect about the application of accounting policies and reported amounts of assets and liabilities and income and expenses that are not readily apparent from other sources. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events, which are considered to be reasonable under the circumstances. Actual results may differ from these estimates.

The areas set out below are considered to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

Income recognition

Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the latter are recognised when at the probate stage.

Useful lives of fixed assets

Property and equipment represent a significant proportion of the College's total assets. The estimated useful lives can therefore have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of fixed assets are shown in note 10.

Recoverability of debtors

The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the debtor, the age profile of the debt and the nature of the amount due.

Retirement benefit obligations

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 21.

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 change is recognised in comprehensive expenditure in accordance with section 28 of FRS102. The Governing Body is satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 16.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the year ended 30 June

	Note	2020				2019			
		Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000	Unrestricted £'000	Restricted £'000	Endowment £'000	Total £'000
Income									
Academic fees and charges	1	3,211	323	-	3,534	2,742	330	-	3,072
Accommodation, catering and conferences	2	2,986	-	-	2,986	3,830	-	-	3,830
Investment income	3	1,282	219	-	1,501	1,186	205	-	1,391
Other income	4	259	-	-	259	-	-	-	-
Total income before donations and endowments		7,738	542	-	8,280	7,758	535	-	8,293
Donations		247	462	-	709	209	488	-	697
New endowments		-	-	198	198	-	-	33	33
Capital grant from Colleges Fund		920	-	-	920	-	-	876	876
Other capital grants for assets		-	168	-	168	-	40	-	40
Total income		8,905	1,172	198	10,275	7,967	1,063	909	9,939
Expenditure									
Education	5	3,442	929	-	4,371	3,339	888	-	4,227
Accommodation, catering and conferences	6	3,932	-	-	3,932	3,964	-	-	3,964
Other expenditure	7	198	40	-	238	1,143	-	-	1,143
Total expenditure	8	7,572	969	-	8,541	8,446	888	-	9,334
Surplus / (deficit) before other gains and losses		1,333	203	198	1,734	(479)	175	909	605
Gain / (loss) on investments	11	(224)	(23)	(338)	(585)	159	41	443	643
Surplus / (deficit) for the year		1,109	180	(140)	1,149	(320)	216	1,352	1,248
Other comprehensive income									
Actuarial gain/(loss) in respect of pension schemes	16	(119)	-	-	(119)	(484)	-	-	(484)
Total comprehensive income for the year		990	180	(140)	1,030	(804)	216	1,352	764

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**

For the year ended 30 June

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

**CONSOLIDATED AND COLLEGE BALANCE SHEETS**

As at 30 June	Note	2020 Group £'000	2020 College £'000	2019 Group £'000	2019 College £'000
Non-current assets					
Fixed assets	10	39,957	39,957	39,912	39,912
Investments	11	40,305	40,305	40,678	40,678
Total non-current assets		80,262	80,262	80,590	80,590
Current assets					
Stocks		63	63	58	58
Trade and other receivables	12	696	755	449	532
Cash and cash equivalents	13	2,846	2,785	2,067	1,975
Total current assets		3,605	3,603	2,574	2,565
Creditors: amounts falling due within one year	14	(842)	(840)	(970)	(961)
Net current assets		2,763	2,763	1,604	1,604
Total assets less current liabilities		83,025	83,025	82,194	82,194
Creditors: amounts falling due after more than one year	15	(11,115)	(11,115)	(11,112)	(11,112)
Provisions					
Pension provisions	16	(2,830)	(2,830)	(3,032)	(3,032)
Total net assets		69,080	69,080	68,050	68,050
Represented by:					
Restricted reserves					
Income and expenditure reserve - endowment	17	25,680	25,680	25,820	25,820
Income and expenditure reserve - restricted	18	2,842	2,842	2,664	2,664
Unrestricted reserves					
Income and expenditure reserve - unrestricted		40,558	40,558	39,566	39,566
Total reserves		69,080	69,080	68,050	68,050

The financial statements were approved by the Governing Body on 11 November 2020 and signed on its behalf by:

Joanna Cheffins
Bursar

**CONSOLIDATED CASH FLOW STATEMENT**

For the year ended 30 June

	Note	2020 £'000	2019 £'000
Cash flow from operating activities:			
Surplus for the year		1,149	1,248
<i>Adjustment for non-cash items:</i>			
- depreciation	10	1,228	1,151
- pension costs less contributions payable		65	37
- amortisation of placement arrangement fees		3	2
- (gain) / loss on investments	11	585	(643)
- (increase) in stocks		(5)	(2)
- (increase) / decrease in trade and other receivables		(247)	52
- (decrease) in creditors		(128)	(74)
- increase / (decrease) in provisions		(386)	564
<i>Adjustment for investing or financing activities:</i>			
- investment income	3	(1,501)	(1,391)
- new endowments	17	(198)	(909)
- capital grants for assets	18	(168)	(40)
- interest payable	7	328	328
Net cash inflow from operating activities		725	323
Cash flows from investing activities:			
Investment income	3	1,501	1,391
New endowments	17	198	909
Endowment funds invested	11	(212)	(926)
Payments made to acquire non-current asset investments	11	-	(146)
Capital grants for assets	18	168	40
Payments made to acquire fixed assets	10	(1,273)	(1,930)
		382	(662)
Cash flows from financing activities:			
Interest paid	7	(328)	(328)
		(328)	(328)
Increase / (decrease) in cash and cash equivalents in the year		779	(667)
Cash and cash equivalents at beginning of the year	13	2,067	2,734
Cash and cash equivalents at end of the year	13	2,846	2,067

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

1 Academic fees and charges	2020	2019
	£'000	£'000
Fee income		
Fee income received at the regulated undergraduate rate (a)	507	533
Fee income received at the unregulated undergraduate rate (b)	594	507
Fee income received at the postgraduate rate (c)	2,062	1,648
	3,163	2,688
Other income		
Research Fellow support	29	-
Cambridge Bursaries	323	330
Teaching and other income	19	26
College courses	-	28
Total	3,534	3,072
<p>(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.</p> <p>(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.</p> <p>(c) This rate is a fixed proportion of the course fees set by the University.</p>		
2 Accommodation, catering and conferences income	2020	2019
	£'000	£'000
Accommodation		
College members	2,126	2,726
Conferences	385	463
Catering		
College members	316	419
Conferences	159	222
Total	2,986	3,830
3 Investment income	2020	2019
	£'000	£'000
Income from:		
Unquoted securities - unit trust *		
- endowment assets	1,006	921
- fixed asset investments	473	448
Cash	22	22
Total	1,501	1,391

* invested in Cambridge University Endowment Fund units

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

4	Other income	2020	2019
		£'000	£'000
	Coronavirus Job Retention Scheme grant	259	-
	Total	259	-
5	Education expenditure	2020	2019
		£'000	£'000
	Teaching	1,051	1,041
	Tutorial	853	831
	Admissions	300	277
	Research	452	382
	Scholarships and awards	676	675
	Cambridge Bursaries	370	373
	Other educational facilities	668	644
	College courses	1	4
	Total	4,371	4,227
6	Accommodation, catering and conferences expenditure	2020	2019
		£'000	£'000
	Accommodation		
	College members	2,394	2,326
	Conferences	286	258
	Catering		
	College members	1,097	1,190
	Conferences	155	190
	Total	3,932	3,964
7	Other expenditure	2020	2019
		£'000	£'000
	Alumni relations	248	207
	Loan interest	328	328
	Pension schemes' finance charges (see note 16)	62	51
	Change in USS deficit provision	(400)	557
	Total	238	1,143

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

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

8a Analysis of expenditure by activity

		Staff costs	Other		
		(note 9)	operating	Depreciation	Total
		2020	expenses	2020	2020
	Note	£'000	£'000	£'000	£'000
Education	5	1,985	1,939	447	4,371
Accommodation, catering and conferences	6	2,091	1,064	777	3,932
Other	7	(224)	458	4	238
		3,852	3,461	1,228	8,541

Expenditure includes fundraising costs of £248k in addition to the costs of alumni relations which are disclosed in note 7.

		Staff costs	Other		
		(note 9)	operating	Depreciation	Total
		2019	expenses	2019	2019
		£'000	£'000	£'000	£'000
Education	5	1,767	2,015	445	4,227
Accommodation, catering and conferences	6	2,003	1,259	702	3,964
Other	7	691	448	4	1,143
		4,461	3,722	1,151	9,334

Expenditure includes fundraising costs of £207k in addition to the costs of alumni relations which are disclosed in note 7.

8b Auditor's remuneration

	2020	2019
	£'000	£'000
Other operating expenses include:		
Audit fees payable to the Group's external auditor (including VAT)	19	19
Other fees payable to the Group's external auditor (including VAT)	1	1

9 Staff costs

	Fellows	Other	Total	Total
	£'000	Staff	2020	2019
	£'000	£'000	£'000	£'000
Salaries	686	2,779	3,465	3,224
National Insurance	63	214	277	250
Pension costs	94	416	510	430
Change in USS deficit provision	(152)	(248)	(400)	557
	691	3,161	3,852	4,461

Average staff numbers (full-time equivalents):

Academic	11	1	12	11
Non-academic	3	102	105	101
	14	103	117	112

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

9 Staff costs (continued)

There were 102 Fellows (excluding the President) in the Governing Body as at 1 December 2019, 26 of whom were stipendiary, representing 13 full-time equivalent College Fellows included above.

No officer or other employee of the College, including the President, received remuneration of over £100,000. Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

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 aggregated remuneration (salary, employer's national insurance contributions, employer's pension contributions, plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements) paid to key management personnel was:

	2020	2019
	£'000	£'000
College Officers <i>ex officio</i>	401	354
Fellows elected by the Governing Body	72	122
	473	476

The Trustees received no remuneration in their capacity as Trustees.

10 Tangible fixed assets
Group and College

	Freehold land	Freehold buildings	Equipment	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At beginning of year	22,000	27,478	5,196	54,674	53,007
Additions at cost	-	994	279	1,273	1,930
Disposals	-	-	(374)	(374)	(263)
At end of year	22,000	28,472	5,101	55,573	54,674
Depreciation					
At beginning of year	-	11,546	3,216	14,762	13,874
Charge for the year	-	717	511	1,228	1,151
Disposals	-	-	(374)	(374)	(263)
At end of year	-	12,263	3,353	15,616	14,762
Net book value					
As at 30 June 2020	22,000	16,209	1,748	39,957	
As at 30 June 2019	22,000	15,932	1,980	39,912	

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

10 Tangible fixed assets (continued)

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

Capital commitments

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

11 Non-current investments

	Group and College	
	2020	2019
	£'000	£'000
Balance at beginning of year	40,678	38,963
Additions	212	1,072
Gain / (loss)	(585)	643
Balance at end of year	40,305	40,678
Represented by:		
Unquoted securities - unit trust	39,738	40,061
Unquoted securities - equities	567	617
Total	40,305	40,678
Analysis by asset:		
Endowments - permanent	25,679	25,814
Endowments - expendable	2,025	2,039
Fixed asset investments	12,601	12,825
Total	40,305	40,678

12 Trade and other receivables

	Group	College	Group	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Members of the College	150	150	163	163
Amounts due from subsidiary undertakings	1	60	1	101
Other receivables	115	115	90	73
Prepayments and accrued income	430	430	195	195
Total	696	755	449	532

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

13 Cash and cash equivalents	Group	College	Group	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Short-term money market investments	-	-	790	790
Bank deposits	2,658	2,658	1,057	1,057
Bank current accounts	186	125	217	125
Cash in hand	2	2	3	3
Total cash and cash equivalents	2,846	2,785	2,067	1,975
Analysis by asset:				
Endowments – permanent capital	1	1	6	6
Endowments – restricted	61	61	16	16
Other cash and cash equivalents	2,784	2,723	2,045	1,953
Total	2,846	2,785	2,067	1,975
14 Creditors: amounts falling due within one year	Group	College	Group	College
	2020	2020	2019	2019
	£'000	£'000	£'000	£'000
Trade creditors	278	278	487	487
Members of the College	208	208	160	160
University fees	128	128	90	90
Other creditors (PAYE, NI, VAT)	78	79	99	94
Accruals and deferred income	150	147	134	130
Total	842	840	970	961
15 Creditors: amounts falling due after more than one year	Group and College			
	2020	2019		
	£'000	£'000		
Bank loan	1,200	1,200		
Private placement	10,000	10,000		
Private placement arrangement fees	(85)	(88)		
Total	11,115	11,112		

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.

The placement arrangement fees are being amortised over the duration of the placement.

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

16 Pension provisions (see note 21)

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

17 Permanent endowments

	Unrestricted permanent £'000	Restricted permanent £'000	Group and College	
			Total 2020 £'000	Total 2019 £'000
Balance at beginning of year	21,790	4,030	25,820	24,468
New endowments	1	197	198	909
Transfers	-	-	-	-
Gain / (loss) on investments	(286)	(52)	(338)	443
Balance at end of year	21,505	4,175	25,680	25,820
Analysis by purpose:				
Fellowship Funds	-	150	150	-
Scholarship Funds	-	2,228	2,228	2,241
Prize Funds	-	98	98	83
Hardship Funds	-	1,005	1,005	1,004
Bursary Funds	-	101	101	103
Travel Grant Funds	-	51	51	51
Library Funds	-	362	362	366
Other Funds	-	180	180	182
General	21,505	-	21,505	21,790
Total	21,505	4,175	25,680	25,820
Analysis by asset:				
Investments	21,505	4,174	25,679	25,814
Cash	-	1	1	6
	21,505	4,175	25,680	25,820

**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 2020 £'000	Total 2019 £'000
Balance at beginning of year						
Capital	-	-	-	1,987	1,987	1,901
Accumulated income	-	609	42	26	677	587
	-	609	42	2,013	2,664	2,488
Academic income	-	323	-	-	323	330
Investment income	-	1	145	73	219	205
New donations	-	456	-	6	462	488
New grants	168	-	-	-	168	40
Expenditure	-	(799)	(140)	(30)	(969)	(888)
Capital grants utilised	(2)	-	-	-	(2)	(40)
Gain / (loss) on investments	-	-	-	(23)	(23)	41
Balance at end of year						
Capital	-	-	-	1,993	1,993	1,987
Accumulated income	166	590	47	46	849	677
	166	590	47	2,039	2,842	2,664
Analysis by purpose:						
Fellowship Funds	-	28	-	602	630	615
Scholarship Funds	-	403	15	994	1,412	1,410
Prize Funds	-	-	5	2	7	5
Hardship Funds	-	-	-	75	75	75
Bursary Funds	-	6	2	180	188	184
Travel Grant Funds	-	-	-	8	8	8
Library Funds	-	-	-	-	-	-
Other Funds	166	153	25	178	522	367
General	-	-	-	-	-	-
Total	166	590	47	2,039	2,842	2,664
Analysis by asset:						
Investments	-	16	-	2,025	2,041	2,055
Cash	166	574	47	14	801	609
	166	590	47	2,039	2,842	2,664

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**

For the year ended 30 June

19 Consolidated reconciliation and analysis of net debt

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

20 Financial instruments

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

The fair values of the assets held at fair value at the balance sheet date are determined using quoted prices.

21 Pension schemes

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

21a Cambridge Colleges Federated Pension Scheme

The liabilities of the plan have been calculated at 30 June for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the CCFPS, 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 were:

	2020 % p.a.	2019 % p.a.
Discount rate	1.45	2.25
Increase in salaries	2.70	2.90
Retail Prices Index (RPI) assumption	3.10	3.40
Consumer Prices Index (CPI) assumption	2.20	2.40
Pension increases in payment (RPI max 5.0% p.a.)	3.00	3.30
Pension increases in payment (CPI max 2.5% p.a.)	1.80	1.90

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

21a Cambridge Colleges Federated Pension Scheme (continued)

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

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

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

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

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

	2020	2019
	£'000	£'000
Present value of plan liabilities	(7,912)	(7,365)
Market value of plan assets	5,569	5,206
Net defined benefit liability	(2,343)	(2,159)

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

	2020	2019
	£'000	£'000
Current service cost	169	145
Administrative expenses	14	14
Interest on net defined benefit liability	48	44
Total	231	203

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

	2020	2019
	£'000	£'000
Present value of plan liabilities at beginning of year	7,365	6,379
Current service cost	169	145
Employee contributions	10	9
Benefits paid	(196)	(164)
Interest on plan liabilities	166	172
Actuarial (gains) / losses	398	824
Present value of plan liabilities at end of year	7,912	7,365

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

21a Cambridge Colleges Federated Pension Scheme (continued)

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

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

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

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

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

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

	2020	2019
	£'000	£'000
Return on assets less interest included in comprehensive income	285	346
Expected less actual plan expenses	(6)	(5)
Experience gains and losses arising on plan liabilities	245	(84)
Changes in assumptions underlying the present value of plan liabilities	(643)	(741)
Re-measurement of net defined benefit liability recognised in OCI	(119)	(484)

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

	2020	2019
	£'000	£'000
Net defined benefit liability at beginning of year	(2,159)	(1,638)
Recognised in expenditure	(231)	(203)
Contributions paid by the College	166	166
Re-measurement of net defined benefit liability recognised in OCI	(119)	(484)
Net defined benefit liability at end of year	(2,343)	(2,159)

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.

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

21a Cambridge Colleges Federated Pension Scheme (continued)

The last such valuation was as at 31 March 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.

21b Universities Superannuation Scheme

The total amount included in the consolidated statement of comprehensive income and expenditure, including changes in the deficit provision, is a credit of £153,967 (2019: charge of £770,688).

Deficit recovery contributions due within one year for the institutions are £22,116 (2019: £14,548)

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 ('the valuation date'), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

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

The 2018 valuation was the fifth valuation for the Scheme 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 £63.7 billion and the value of the Scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependant rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21+: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the Scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2018 valuation Pre-retirement: 71% of AMCO0 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 97.6% of SAPS S1NMA 'light' for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 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

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

21b Universities Superannuation Scheme (continued)

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

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

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

The provision figures have been produced using the following assumptions:

	2020	2019
Discount rate	0.73%	1.58%
Pensionable salary growth	0.00%	2.50%
Pensionable salary growth – years 2-16	2.50%	2.50%

22 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	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%

23 Related party transactions

Owing to the nature of the College's operations and the composition of the College Council it is inevitable that transactions will take place with organisations in which a member of the College Council may have an interest. All transactions involving organisations in which a member of the College Council may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter, they are required to declare that fact.

During the year, no fees or expenses were paid to Fellows in respect of their duties as Trustees.

Fellows are remunerated for teaching, research and other duties within the College. Fellows are billed for any private catering. All salaries are reviewed annually by the Personnel Committee.

**NOTES TO THE ACCOUNTS**

For the year ended 30 June

23 Related party transactions (continued)

The salaries paid to Trustees in the year, for duties other than serving as a Trustee, are summarised in the table below:

From	To	2020 Number	2019 Number
£0	£10,000	4	3
£10,001	£20,000	1	2
£20,001	£30,000	1	2
£30,001	£40,000	1	1
£40,001	£50,000	-	-
£50,001	£60,000	-	1
£60,001	£70,000	1	2
£70,001	£80,000	3	1
	Total	11	12

The total Trustee salaries were £368,791 for the year (2019 £383,195).

The Trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £104,474 for the year (2019: £92,910).

Details of subsidiary undertakings are disclosed in note 22. The College has taken advantage of the exemption within section 33 of FRS 102 not to disclose transactions with wholly owned group companies that are related parties.