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Wolfson College

Annual Report and Financial Statements

Year ended 31 July 2018

Charity Registration Number: 1141446

WOLFSON COLLEGE
Annual Report and Financial Statements
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WOLFSON COLLEGE**Governing Body, Officers and Advisers**

Year ended 31 July 2018

MEMBERS OF THE GOVERNING BODY

The members of the Governing Body present their annual report for the year ended 31 July 2018 under the Charities Act 2011 together with the audited financial statements of the year.

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|---------------------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| Abramsky, Prof Samson | | | | | | | | | | | |
| Andersson, Prof Ruben | | | | | | | | X | | | |
| Austyn, Prof Jonathan | | | | | | | | | | | |
| Aveyard, Prof Paul | | | | | | | | | | X | |
| Bangha, Dr Imre | | | | | | | | X | | | |
| Banks, Prof Marcus | | | | | | | | | | | |
| Barrett, Prof Jonathan | | | | | | X | | | | | |
| Benson, Dr James | | | | | | | | | X | | |
| Boehmer, Prof Elleke | | | | | | | | | X | | |
| Brown, Prof Harvey | To 30/09/17 | | | | | | | | | | |
| Cannon, Ms Catriona | | | | | X | | | | | | |
| Chappell, Prof Michael | | | | | | X | | | | | |
| Charters, Dr Erica | | X | | | | | | | | | |
| Cluver, Prof Lucie | | | | | | | | | | | |
| Coecke, Prof Bob | | | | | | X | | | | | |
| Conner, Mr William | | X | | X | | | | | | | |
| Costa, Prof Matthew | | | | | | X | | | | | |
| Curtis, Prof Julie | | X | | | | | | | | X | |
| Czaika, Prof Mathias | To 31/08/17 | | | | | | | | | | |
| Dahl, Prof Jacob | | X | | | | | | X | | | |
| De Melo, Prof Wolfgang | | | | | | | | | | | |
| DeLaine, Prof Janet | To 30/09/18 | | | | | | | | | | |
| Eastham, Ms Emily | | X | X | X | X | X | | | | X | |
| Fellerer, Prof Jan | | X | | | | X | X | | | X | |
| Galligan, Prof Denis | To 30/09/17 | | | | | | | | | | |
| Gardner, Prof Frances | | | | | | | | | | | |
| George, Prof Alain | From 01/10/17 | | | | | | | | | | |
| Giustino, Prof Feliciano | | | | | | | | | | | |
| Goodman, Prof Martin | | X | | | X | X | X | | | | |
| Harrison, Prof Paul | | | | | | | | | | | |
| Hitchens, Sir Tim | From 01/05/18 | X | X | X | X | X | X | X | | X | |
| Howgego, Prof Christopher | | | X | X | | | | | | | |
| Jarvis, Prof Paul | | | | | | X | | | | | |
| Johns, Prof Jeremy | | X | X | X | X | X | | X | | X | X |
| Jones, Dr Geraint | | | | | | | | X | | | |
| Lange, Prof Bettina | | | | | | | | | | | |
| Lee, Prof Hermione | To 30/09/17 | | | | | | | | | | |
| Lewis, Dr James | | | X | | | | | X | X | | |
| Maschek, Prof Dominik | From 01/10/18 | | | | | | | | | | |
| Mathur, Dr Nayanika | From 01/10/17 | | | | | X | | | | | |
| McCartney, Prof Matthew | | | | | | X | | | | | |
| McKenna, Prof Gillies | | | | | | | | | | | |
| Morin, Mr Richard | | X | X | X | X | X | X | X | | X | X |
| Nissen-Meyer, Prof Tarje | | | | | X | | | | | | |
| Pila, Prof Jonathan | | | | | | | | | | | |

WOLFSON COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2018

| | | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) |
|-----------------------------|---------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|------|
| Probert, Prof Philomen | | | | | | X | | | | | |
| Rawlins, Prof Nicholas | To 30/09/17 | | | | | | | | | | |
| Redfield, Prof Christina | | X | | | X | | | | | | X |
| Rice, Dr Ellen | | | | | X | | | | | | |
| Rickaby, Prof Rosalind | | | | | | | | | | | |
| Riede, Prof Moritz | | | | | | | | | | X | |
| Roberts, Prof Paul | | | | | | X | | | | | |
| Roesler, Prof Ulrike | | | | | | | | | | | |
| Schulting, Prof Rick | | | | | | | | | | | |
| Stewart, Dr Peter | | | X | | | | X | | | | |
| Sud, Prof Nikita | | X | | | | | | | | | |
| Taylor, Prof David | | | | | | | | | | | |
| Vedral, Prof Vlatko | | | | | | | | | | | |
| Ventresca, Prof Marc | | | | | | | | | | | |
| Vevaina, Dr Yuhan | From 01/10/17 | | | X | X | | | | | | |
| Wells, Prof Andrew | To 07/11/17 | | | | | | | | | | |
| Wolff, Prof Jonathan | | | | | | X | | | | | |
| Woodruff, Prof Christopher | | | | | | | | | | | |
| Yurekli-Gorkay, Prof Zeynep | | X | | | X | X | | | | | |

During the year the activities of the Governing Body were carried out through the 10 main committees listed below. The current membership of these committees is shown above for each Member of the Governing Body.

1. General Purposes Committee
2. Finance Committee
3. Investment Committee
4. Academic Committee
5. Fellowships & Membership Committee
6. Remuneration & Personnel Committee
7. Domestic & Premises Committee
8. Audit Committee
9. Nominating Committee
10. Social & Cultural Committee

A Conflict of Interest Committee is responsible for reviewing the Governing Body's decisions in order to identify any conflicts of interest. It also keeps under review the College's conflict of interest policies and makes suggestions to the Governing Body for the improvement of the awareness of Trustees and the development of related procedures.

There are also a number of sub-committees of the College, the membership of which includes some Members of Governing Body.

WOLFSON COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2018

COLLEGE SENIOR STAFF

The senior staff of the College (the College Officers) to whom day-to-day management was delegated in the year was as follows:

| | |
|-----------------------------|---|
| President | Professor Dame Hermione Lee (to 30/09/17) Professor Philomen Probert – Acting (01/10/17 to 30/04/18) Sir Tim Hitchens (from 01/05/18) |
| Vicegerent | Professor Philomen Probert (to 30/09/17 and from 01/05/18) Professor Marcus Banks – Acting (01/10/17 to 30/04/18) |
| Bursar | Mr Richard Morin |
| Senior Tutor | Ms Emily Eastham |
| Development Director | Mr William Conner |
| Secretary to Governing Body | Professor Jacob Dahl |

COLLEGE ADVISERS

Investment Managers

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU
OU Endowment Management, King Charles House, Park End Street, Oxford, OX1 1JD
Charities Property Fund, Cordea Savills, Lansdowne House, 57 Berkeley Square, London, W1J 6ER

Investment Property Managers

T W Gaze LLP, 10 Market Hill, Diss, Norfolk, IP22 4WJ
Savills, 2 Mayfield House, 256 Banbury Road, Summertown, Oxford, OX2 7DE

Personnel and Health & Safety Advisers

Peninsula Business Services, 2 Cheetham Hill Road, Manchester, M4 4FB

Auditors

Wellers, 8 King Edward Street, Oxford, OX1 4HL

Bankers

Barclays Bank PLC, Wytham Court, 11 West Way, Oxford, OX2 0JB

Solicitors

Penningtons Manches LLP, 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN

COLLEGE CONTACT DETAILS

College address

Wolfson College, Linton Road, Oxford, OX2 6UD.

Website

www.wolfson.ox.ac.uk

WOLFSON COLLEGE
Report of the Governing Body
Year ended 31 July 2018

The Members of the Governing Body present their Annual Report for the year ended 31 July 2018 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Wolfson College in the University of Oxford is an eleemosynary chartered charitable corporation aggregate. It was founded by decree of the Congregation of Oxford University on 26 July 1966.

The College registered with the Charity Commission on 14 April 2011 (registered number 1141446).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The College is governed by its Royal Charter and Statutes dated 15 January 1981.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the High Steward of The University of Oxford. The Governing Body is self-appointing.

New members of the Governing Body are elected on the basis of academic standing, position within the University of Oxford and suitability as decided by the Governing Body.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the President and is advised by ten main committees.

Recruitment and Training of Members of the Governing Body

New Members of the Governing Body are recruited on the basis of a consideration of suitability by the Fellowships and Membership Committee, formal interview and election at a meeting of the full Governing Body. They are inducted into the workings of the College, including Governing Body policy and procedures, by means of an introductory meeting with the President and provision of the Charity Commission "Essential Trustee" guide making them aware of their responsibilities as trustees. Members of the Governing Body are able to attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

Members of the Governing Body are Fellows with teaching and research employment at the College or University and receive a small academic stipend to support their work for the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College that is set based on the advice of the College's Remuneration and Personnel Committee, members of which include Fellows not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University's academic staff, and in 2016, the Governing Body agreed that all future cost of living pay increases for fellows and staff would be set in line with those awarded by the University.

Organisational Management

The Governing Body convenes at least six times a year. The President or Vicegerent can call additional meetings of the Governing Body. The ten main Committees referred to above carry out the work of developing the Governing Body's policies and monitoring the implementation of them. The day-to-day running of the College is delegated to the College Officers, who attend all meetings of the Governing Body and who are members of the main Committees as indicated above. The actions of the Governing Body are monitored by a separate Conflict of Interest Committee comprising College members who are not Governing Body Fellows or Trustees.

Structure and Relationships

The College also administers a number special trusts, as shown in the funds note to the financial statements. The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

According to its Statutes "The College is incorporated for the furtherance of learning and education and to be a College wherein men and women may carry out advanced study or research". In order to to fulfil these objectives and aims, the College sets specific objectives concerning the admission of students, number of scholarships awarded and the educational provision it offers.

The Governing Body has considered the Charity Commission's guidance on public benefit and, in keeping with its objects, the College's aims and activities for the public benefit are set out below.

Public Benefit

The College provides, in conjunction with the University of Oxford, academic and pastoral support for approximately 700 graduate students that is recognised internationally as being of the highest standard. This support develops students academically and advances their leadership qualities and communication skills, and so prepares them to play full and effective roles in society. In particular, the College provides:

- pastoral, administrative and academic support through its advisory and graduate mentoring systems;
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

- providing Research Fellowships to outstanding academics at 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 research work pursued by its other Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials;
- encouraging visits from outstanding academics from abroad; and
- encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means and the establishment of "academic clusters" in a variety of specialist interdisciplinary areas.

WOLFSON COLLEGE
Report of the Governing Body
Year ended 31 July 2018

The College maintains an extensive library and art collection including important special collections, so providing a valuable resource for students and Fellows of the College, members of other Colleges and the University of Oxford more widely, external scholars and researchers, and the public through regular exhibitions.

Strategy for Achieving Aims

The College's strategy for achieving its aims is to protect and grow the existing endowment, and maximise the return from endowment in order to invest in supporting students and fellows in their endeavours.

The College has a Development Office, which seeks to raise funds for the College, which combined with the income generated from the endowment, provides funds to invest in its charitable aims, including the maintenance and creation of scholarships and bursaries and the funding of events and activities both to support students and fellows pastorally as well as academically.

The College seeks to maintain and develop its first-class environment and facilities, and to recruit and support the very best staff, who are committed to the College's charitable aims.

The College assesses its success through the number of students that it is able to support, the success that they achieve in their endeavours, and the feedback that the College receives from students and researchers on the facilities and pastoral support that they receive whilst at the College. The College also measures its success in protecting and growing the endowment through its investment policies.

ACHIEVEMENTS AND PERFORMANCE

Admission of Students

The College admission target for the academic year 2017/18 was in the region of 200 new students and 228 students joined the College in October 2018. Key statistics were as follows:

- 59% of these students were in the Humanities and Social Sciences.
- 96% of new students were studying full time programmes.
- 54% of students were enrolled onto research degrees, which is in line with the College strategy of increasing the proportion of students reading for research degrees from 42% in 2012.
- Wolfson has a diverse international community of scholars reading for a wide variety of degrees. The College uses statistics provided by the University of Oxford Graduate Admissions Office to compare ourselves to the overall University intake of graduate students. 54 different nationalities are represented amongst the 2018 new student cohort.
- There were equal numbers of students identifying as male and female (112 and 116, respectively) in 2018 and that proportion has been relatively stable over the past few years.
- Over 70% of incoming students were housed in College accommodation.

Scholarships and Financial Provision

54% of the 2018 cohort was in receipt of some form of grant funding. 7% of the student body have a Wolfson scholarship and the College is continuing to strive to increase the number of scholarships offered further. In addition to scholarships, Wolfson also provides College Fee Bursaries, Travel Grants for attending conferences or undertaking fieldwork, and support for students who need to undertake language courses for their studies. The College also made grants to a number of students in financial hardship due to unforeseeable circumstances.

Lectures and Seminars

As part of its goal to further education and learning, the College has a number of research clusters which promote the study of specific subjects in an interdisciplinary forum. These include: The Ancient World Cluster; The Digital Research Cluster; Law, Justice and Society at Wolfson; Oxford Centre for Life-Writing; Quantum Foundations Research Cluster; South Asia Research Cluster; The Tibetan and Himalayan Studies Centre; and the Wolfson Trauma Cluster. Each Cluster is very active in holding events, including lectures, seminars and conferences. Many also offer scholarships and research grants to Wolfson members undertaking projects in relevant areas.

The College funds members who wish to hold academic events at Wolfson. To meet the requirements of the government's PREVENT strategy, we have agreed policies concerning free speech (in the context of lectures and other academic events), and also a monitoring process to ensure that no proposed speaker or event is associated with a proscribed (terrorist) organisation.

The College is an open and inclusive environment, and many of its academic events are open to the general public. Academic activities have continued to attract broad audiences, from within the College, University and beyond. The College considers such high-profile events to be an important part of our outreach and community activities.

Development and Alumni Relations

The Development and Alumni Relations department oversees the College's ongoing stewardship of alumni relations around the world and specifically supports looking after the several dozen high value donor relationships the College has developed since the establishment of the office in 2008. The focus of the Development and Alumni Relations department continues to be seeking support for scholarships, fellowships and research projects.

In 2017/18, the College saw a steady state continuation in the number of alumni givers from the previous year. The new restrictions on how we manage our data and who we can contact make it more complex as to how we communicate with alumni. Multichannel fundraising initiatives where we combine social media, telephone, and direct mail fundraising techniques seem to be the way forward. The College's big fundraising project for 2017/18 was a broad-based effort to raise money for the Isaiah Berlin Legacy Fellowship. Over 80 donors responded to the campaign for which funding to extend the Fellowship for another two years was raised.

The arrival of the College's new President in May 2018 led to a successful fundraising trip in July to Hong Kong, Shenzhen and Shanghai, where assorted partnership projects are under discussion.

FINANCIAL REVIEW

As shown in the Statement of Financial Activities, total incoming resources for the year amounted to £7.5 million. This amount included donations and legacies amounting to £0.8 million, and investment income amounting to £1.2 million, as well as College operating income. Of the donations and legacies, £0.04 million related to endowment gifts where the capital is required to be preserved rather than spent.

Expenditure of £7.8 million was primarily in direct support of the running of the College in line with the objectives and activities outlined above, but also included fundraising costs, trading costs and investment management costs, all in relation to income generation to fund College activities.

Investment gains in the year amounted to £4.3 million. The overall net movement in funds including all investment gains and endowment gifts amounted to an increase of £4.0 million.

A pension deficit provision of £0.9 million remains on the Balance Sheet. This figure represents the present value of the estimated future funding deficit in relation to the College's participation in the University Superannuation Scheme (£0.3 million) and the Oxford Staff Pension Scheme (£0.6 million).

Reserves Policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall, to allow the College to be managed efficiently, and to provide a buffer that would ensure uninterrupted services.

Total funds of the College at the year-end amounted to £78.1 million (2017: £74.1 million). This total includes endowment capital of £47.0 million and unspent restricted income funds of £2.6 million. Free reserves at the year-end amounted to £6.9 million, representing retained unrestricted income reserves, excluding an amount of £19.4 million for the book value of tangible fixed assets, funds designated at the year-end amounting to £3.1 million and the pension reserve negative fund amounting to £0.9 million. The majority of free reserves are currently invested with the College's endowment funds to earn income to support the running costs of the College.

Designated reserves at the year-end included £2.7 million as capital to support scholarships and £0.3 million of Common Room funds.

WOLFSON COLLEGE
Report of the Governing Body
Year ended 31 July 2018

Risk Management

The College engages in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from external experts. The relevant College Committees review policies and procedures within the College. The Finance and Investment Committees assess financial and investment risks. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the College is exposed and have concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed. Principal risks and uncertainties faced by the College include the following:

| Risk or uncertainty | Strategies for managing |
|---|--|
| Poor investment performance affecting income available to spend | Regular Investment Committee review, including monitoring of investment managers' performance. Long-term view maintained and drawdown rates set on rolling averages to smooth peaks and troughs. |
| Employer pension rates and other non-discretionary costs increase out of line with income | Close control of budgets and other financial planning to anticipate changes and ensure timely decision-making. |
| Fall in recruitment and retention of top quality students and academic fellows | Maintaining and improving financial support for students. Enhancing academic activities and support, and ensuring they are well publicised. |

Investment Policy, Objectives and Performance

The College's investment objectives are to balance current and future beneficiary needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The Governing Body, as advised by the Investment Committee from time to time, sets the investment policy and strategy. The Investment Committee also regularly monitors performance. At the year end, the College's long term investments, combining the securities and property investments, totalled £57.9 million. Investment income in the year amounted to £1.2 million and investment gains amounted to £4.3 million.

It is the Governing Body's policy to grow the College's investments by a minimum of 4% per annum in real terms, of which it will extract as income no more than 3% (plus costs) of the value of the relevant investments. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

The College's new President, who arrived in May 2018, is working with the Governing Body to formulate plans for the next 10 years. A Governing Body Away Day has been held, and views on future plans will continue to be discussed and formulated into a plan over the coming 12 months. The key elements of any future plan are likely to include:

- A commitment to expand the College's already vibrant range of academic and cultural activities, including music and art.
- A focus on the College's international and interdisciplinary credentials, and engagement in global issues.
- Consideration of increasing the number of accommodation rooms in the College in order that an even higher percentage of students could live at the College and take full advantage of the environment and the facilities.
- A continued increase in interdisciplinary research through cluster activities and facilities.
- Seeking ways to develop investment in the College and grow the endowment through a commitment to strategy, development and fundraising.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body has prepared the financial statements in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net income or expenditure for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements comply with the Charities Act 2011. It is also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 28 November 2018 and signed on its behalf by:

Sir Tim Hitchens
President

WOLFSON COLLEGE

Report of the Auditor to the Members of the Governing Body of Wolfson College

We have audited the financial statements of Wolfson College for the year ended 31 July 2018 which comprise the Statement of Accounting Policies, the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 28.

This report is made solely to the College's Governing Body in accordance with sections 144 and 151 of the Charities Act 2011 and regulation made under section 154 of that Act. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2018 and of the charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Wellers
Statutory Auditor
8 King Edward Street, Oxford, OX1 4HL
Date:

Wellers is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

1. Scope of the financial statements

The financial statements present the Statement of Financial Activities (SOFA), the Balance Sheet and the Statement of Cash Flows for the College.

2. Basis of accounting

The College's individual and consolidated financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its individual and consolidated financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' (The Charities SORP (FRS 102)).

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities (SOFA). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have most significant effect on amounts recognised in the financial statements.

The College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SOFA. Independent valuations are obtained periodically to determine fair value at the balance sheet date.

Key estimates and assumptions are also required in the calculation of the pension recovery plan deficit (accounting policy number 14) and rates of depreciation of fixed assets (accounting policy number 8).

In the view of the Governing Body, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured, as listed below:

a. Income from fees, HEFCE support and other charges for services

Fees receivable, less any scholarships, bursaries or other allowances granted from the College unrestricted funds, HEFCE support and charges for services and use of the premises are recognised in the period in which the related service is provided.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

WOLFSON COLLEGE
Statement of Accounting Policies
Year ended 31 July 2018

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

c. Investment income

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

Income from investment properties is recognised in the period to which the rental income relates.

5. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the Statement of Financial Activities (the SOFA).

Support costs, which include governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs, are apportioned to expenditure categories in the SOFA based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

6. Leases

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SOFA so as to achieve a constant rate of interest on the remaining balance of the liability.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight line basis.

7. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings expenditure over £25,000 is capitalised as follows:

- Costs of acquisition or enhancement of land
- Costs of acquisition, construction and enhancement of buildings which are directly attributable to bringing the assets to their working conditions for intended uses.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

Equipment costing more than £2,500, which is deemed to have a significant useful economic life, is also capitalised. Other expenditure on equipment incurred in the normal day-to-day running of the College is charged to the Statement of Financial Activities as incurred.

8. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

| | |
|---|---------------|
| Freehold properties, including major extensions | 50 years |
| Building improvements | 10 - 30 years |
| Equipment | 4 - 20 years |

Freehold land is not depreciated. The cost of maintenance is charged in the SOFA in the period in which it is incurred.

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

9. Investments

Investment properties are initially recognised at their cost and subsequently measured at their market value at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

10. Other Financial Instruments

a. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

11. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

12. Foreign currencies

The functional and presentation currency of the College is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

13. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either retained for investment or released to income at the discretion of the Governing Body.

13. Fund accounting

The total funds of the College are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

Permanent endowment funds arise where donors specify that the funds are to be retained as capital for the permanent benefit of the College. Any part of the total return arising from the capital that is allocated to income will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

14. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

Wolfson College
Statement of Financial Activities
For the year ended 31 July 2018

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | 2018 Total £'000 | 2017 Total £'000 |
|---|-------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Charitable activities | | | | | | |
| Teaching, research and residential | 1 | 4,785 | - | - | 4,785 | 4,789 |
| Other trading income | 3 | 599 | - | - | 599 | 498 |
| Donations and legacies | 2 | 390 | 391 | 43 | 824 | 1,919 |
| Investments | | | | | | |
| Investment income | 4 | 220 | - | 1,006 | 1,226 | 1,060 |
| Total return allocated to income | | 897 | 121 | (1,018) | - | - |
| Other income | | 28 | - | - | 28 | 58 |
| Total income | | 6,919 | 512 | 31 | 7,462 | 8,324 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | | | | | | |
| Teaching, research and residential | 5 | 5,958 | 696 | - | 6,654 | 6,702 |
| Generating funds | | | | | | |
| Fundraising | 5 | 316 | - | - | 316 | 281 |
| Trading expenditure | | 584 | - | - | 584 | 426 |
| Investment management costs | | 50 | - | 214 | 264 | 191 |
| Total expenditure | | 6,908 | 696 | 214 | 7,818 | 7,600 |
| Net income/(expenditure) before gains | | 11 | (184) | (183) | (356) | 724 |
| Net gains/(losses) on investments | 10,11 | 778 | - | 3,539 | 4,317 | 4,855 |
| Net income/(expenditure) | | 789 | (184) | 3,356 | 3,961 | 5,579 |
| Transfers between funds | 16 | (16) | 16 | - | - | - |
| Other recognised gains/losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | | - | - | - | - | - |
| Net movement in funds for the year | | 773 | (168) | 3,356 | 3,961 | 5,579 |
| Fund balances brought forward | 16 | 27,785 | 2,785 | 43,610 | 74,180 | 68,601 |
| Funds carried forward at 31 July | 16 | 28,558 | 2,617 | 46,966 | 78,141 | 74,180 |

Wolfson College
Balance Sheet
For the year ended 31 July 2018

| | Notes | 2018 £'000 | 2017 £'000 |
|---|-------|---------------|---------------|
| FIXED ASSETS | | | |
| Tangible assets | 9 | 19,416 | 19,989 |
| Property investments | 10 | 12,347 | 11,436 |
| Other investments | 11 | 45,581 | 41,230 |
| Total fixed assets | | 77,344 | 72,655 |
| CURRENT ASSETS | | | |
| Stocks | | 169 | 166 |
| Debtors | 14 | 385 | 1,264 |
| Cash at bank and in hand | | 2,282 | 1,947 |
| Total current assets | | 2,836 | 3,377 |
| LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 15 | 1,143 | 961 |
| NET CURRENT ASSETS/(LIABILITIES) | | 1,693 | 2,416 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 79,037 | 75,071 |
| Provisions for liabilities and charges | | - | - |
| NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY | | 79,037 | 75,071 |
| Defined benefit pension scheme liability | 20 | 896 | 891 |
| TOTAL NET ASSETS/(LIABILITIES) | | 78,141 | 74,180 |
| FUNDS OF THE COLLEGE | | | |
| Endowment funds | 16 | 46,966 | 43,610 |
| Restricted funds | | 2,617 | 2,785 |
| Unrestricted funds | | | |
| Designated funds | | 22,548 | 23,079 |
| General funds | | 6,906 | 5,597 |
| Pension reserve | | (896) | (891) |
| | | 78,141 | 74,180 |

The financial statements were approved and authorised for issue by the Governing Body of Wolfson College on 28 November 2018

Sir Tim Hitchens
President

Mr Richard Morin
Bursar

Wolfson College
Cash Flow Statement
For the year ended 31 July 2018

| | Notes | 2018 £'000 | 2017 £'000 |
|---|-------|---------------|----------------|
| Net cash provided by (used in) operating activities | 23 | <u>291</u> | <u>(1,621)</u> |
| Cash flows from investing activities | | | |
| Dividends, interest and rents from investments | | 1,226 | 1,060 |
| Purchase of property, plant and equipment | | (256) | (205) |
| Proceeds from sales of investments | | 192 | 863 |
| Purchase of investments | | (1,137) | (3,793) |
| Net cash provided by (used in) investing activities | | <u>25</u> | <u>(2,075)</u> |
| Cash flows from financing activities | | | |
| Receipt of endowment | | 43 | 1,177 |
| Finance costs paid | | (24) | (30) |
| Net cash provided by (used in) financing activities | | <u>19</u> | <u>1,147</u> |
| Change in cash and cash equivalents in the reporting period | | <u>335</u> | <u>(2,549)</u> |
| Cash and cash equivalents at the beginning of the reporting period | | 1,947 | 4,496 |
| Change in cash and cash equivalents due to exchange rate movements | | - | - |
| Cash and cash equivalents at the end of the reporting period | 24 | <u>2,282</u> | <u>1,947</u> |

Wolfson College

Notes to the financial statements

For the year ended 31 July 2018

1 INCOME FROM CHARITABLE ACTIVITIES

| | 2018 | 2017 |
|---|--------------|--------------|
| | Total | Total |
| | £'000 | £'000 |
| Teaching, research and residential | | |
| <i>Unrestricted funds</i> | | |
| Tuition fees - UK and EU students | 600 | 582 |
| Tuition fees - Overseas students | 784 | 728 |
| Other HEFCE support | 65 | 65 |
| Other academic income | 391 | 507 |
| College residential income | 2,945 | 2,907 |
| | 4,785 | 4,789 |

The above analysis includes £137k received from the University of Oxford from publicly accountable funds under the College Funding Formula (2017: £126k).

2 DONATIONS AND LEGACIES

| | 2018 | 2017 |
|-------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Donations and legacies | | |
| <i>Unrestricted funds</i> | 390 | 79 |
| <i>Restricted funds</i> | 391 | 663 |
| <i>Endowed funds</i> | 43 | 1,177 |
| | 824 | 1,919 |

3 INCOME FROM OTHER TRADING ACTIVITIES

| | 2018 | 2017 |
|---------------------------|--------------|-------|
| | £'000 | £'000 |
| <i>Unrestricted funds</i> | | |
| Other trading income | 599 | 498 |

4 INVESTMENT INCOME

| | 2018 | 2017 |
|--|--------------|--------------|
| | Total | Total |
| | £'000 | £'000 |
| Total investment income: | | |
| Agricultural rent | 73 | 21 |
| Commercial rent | 159 | 143 |
| Other property income | 104 | 110 |
| Equity dividends | 518 | 515 |
| Interest on fixed term deposits and cash | 15 | 25 |
| Other investment income | 357 | 246 |
| | 1,226 | 1,060 |

Total investment income was allocated to funds as follows:

| | | |
|---------------------------|--------------|--------------|
| <i>Endowed funds</i> | 1,006 | 647 |
| <i>Unrestricted funds</i> | 220 | 413 |
| | 1,226 | 1,060 |

5 ANALYSIS OF EXPENDITURE

| | 2018 | 2017 |
|--|---------------------|--------------|
| | £'000 | £'000 |
| Charitable expenditure - Teaching, research and residential | | |
| Direct staff costs | 2,300 | 2,379 |
| Other direct costs | 2,620 | 2,495 |
| Support and governance costs | 1,734 | 1,828 |
| Total charitable expenditure | <u>6,654</u> | <u>6,702</u> |
| Expenditure on raising funds | | |
| Direct staff costs allocated to: | | |
| Fundraising | 200 | 190 |
| Trading expenditure | 317 | 239 |
| Investment management costs | - | - |
| Other direct costs allocated to: | | |
| Fundraising | 98 | 69 |
| Trading expenditure | 229 | 150 |
| Investment management costs | 261 | 187 |
| Support and governance costs allocated to: | | |
| Fundraising | 18 | 22 |
| Trading expenditure | 38 | 37 |
| Investment management costs | 3 | 4 |
| Total expenditure on raising funds | <u>1,164</u> | <u>898</u> |
| Total expenditure | <u>7,818</u> | <u>7,600</u> |

2017 total expenditure of £7,600k represented £6,993k from unrestricted funds and £607k from restricted funds.

Wolfson College

Notes to the financial statements

For the year ended 31 July 2018

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

| 2018 | Generating Funds £'000 | Teaching, Research & Residential £'000 | 2018 Total £'000 |
|--------------------------|------------------------------|---|---------------------------------|
| Financial administration | 33 | 283 | 316 |
| Domestic administration | 20 | 274 | 294 |
| Human resources | - | 79 | 79 |
| IT | 6 | 225 | 231 |
| Depreciation | - | 829 | 829 |
| Other finance charges | - | 24 | 24 |
| Governance costs | - | 20 | 20 |
| | 59 | 1,734 | 1,793 |

| 2017 | Generating Funds £'000 | Teaching, Research & Residential £'000 | 2017 Total £'000 |
|--------------------------|------------------------------|---|---------------------------------|
| Financial administration | 41 | 330 | 371 |
| Domestic administration | 18 | 282 | 300 |
| Human resources | - | 74 | 74 |
| IT | 4 | 217 | 221 |
| Depreciation | - | 875 | 875 |
| Other finance charges | - | 30 | 30 |
| Governance costs | - | 20 | 20 |
| | 63 | 1,828 | 1,891 |

Finance and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs and fixed asset impairment are attributed in full to the College's charitable activities, since it is for the support of those activities that the buildings, plant and equipment being depreciated are held. Interest and other finance charges are attributed according to the purpose of the related financing. Governance costs are allocated to the core charitable activity of research.

| | 2018 £'000 | 2017 £'000 |
|---|-----------------------|---------------|
| Governance costs comprise: | | |
| Auditor's remuneration - audit services | 20 | 20 |
| | 20 | 20 |

No amount has been included in Governance Costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows' involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

Wolfson College

Notes to the financial statements

For the year ended 31 July 2018

7 GRANTS AND AWARDS

During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:

| 2018 | 2017 |
|--------------|-------|
| Total | Total |
| £'000 | £'000 |

Unrestricted funds

Grants to individuals:

| | | |
|---------------------------------|------------|------------|
| Scholarships, prizes and grants | 202 | 252 |
| Bursaries and hardship awards | 28 | 30 |
| | 230 | 282 |

Restricted funds

Grants to individuals:

| | | |
|---------------------------------|------------|------------|
| Scholarships, prizes and grants | 254 | 214 |
| Bursaries and hardship awards | 6 | 3 |
| | 260 | 217 |

Total grants and awards

| | |
|------------|------------|
| 490 | 499 |
|------------|------------|

The above costs are included within the charitable expenditure on Teaching and Research.

Wolfson College**Notes to the financial statements****For the year ended 31 July 2018****8 STAFF COSTS**

| | 2018 | 2017 |
|---|---------------------|--------------|
| | £'000 | £'000 |
| The aggregate staff costs for the year were as follows. | | |
| Salaries and wages | 2,918 | 2,872 |
| Social security costs | 258 | 249 |
| Pension costs: | | |
| Defined benefit schemes | 403 | 447 |
| Other benefits | 1 | - |
| | <u>3,580</u> | <u>3,568</u> |

The average number of employees of the College, excluding Trustees, was as follows:

| | 2018 | 2017 |
|----------------------|-------------------|------------|
| Tuition and research | 32 | 32 |
| College residential | 90 | 92 |
| Fundraising | 3 | 2 |
| Support | 12 | 12 |
| Total | <u>137</u> | <u>138</u> |

The average number of employed College Trustees during the year was as follows.

| | 2018 | 2017 |
|-----------------------|------------------|-----------|
| Teaching and research | 54 | 55 |
| Other | 2 | 2 |
| Total | <u>56</u> | <u>57</u> |

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration of employees who are also Trustees is included as a separate note in these financial statements.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

| | 2018 | 2017 |
|-------------------|-----------------|----------|
| £60,001 - £70,000 | <u>1</u> | <u>-</u> |

The number of the above employees with retirement benefits accruing was as follows:

| | | |
|---------------------------------|----------|---|
| In defined benefits schemes | 1 | - |
| In defined contribution schemes | - | - |

| | 2018 | 2017 |
|--|-----------------|----------|
| | £'000 | £'000 |
| The College contributions to defined contribution pension schemes totalled | <u>-</u> | <u>-</u> |

Wolfson College
Notes to the financial statements
For the year ended 31 July 2018

9 TANGIBLE FIXED ASSETS

| Group and College | Freehold land and buildings £'000 | Fixtures, fittings and equipment £'000 | Total £'000 |
|--------------------------|--|---|------------------------|
| Cost | | | |
| At start of year | 27,555 | 828 | 28,383 |
| Additions | 140 | 116 | 256 |
| Disposals | - | - | - |
| At end of year | <u>27,695</u> | <u>944</u> | <u>28,639</u> |
| Depreciation | | | |
| At start of year | 7,904 | 490 | 8,394 |
| Charge for the year | 734 | 95 | 829 |
| On disposals | - | - | - |
| At end of year | <u>8,638</u> | <u>585</u> | <u>9,223</u> |
| Net book value | | | |
| At end of year | <u>19,057</u> | <u>359</u> | <u>19,416</u> |
| At start of year | <u>19,651</u> | <u>338</u> | <u>19,989</u> |

Wolfson College

Notes to the financial statements

For the year ended 31 July 2018

10 PROPERTY INVESTMENTS

| | Agricultural £'000 | Commercial £'000 | Other £'000 | 2018 Total £'000 | 2017 Total £'000 |
|--|-----------------------|---------------------|----------------|---------------------------------|------------------------|
| Valuation at start of year | 1,970 | 1,900 | 7,566 | 11,436 | 11,529 |
| Transfer from other investments | - | - | - | - | 66 |
| Additions and improvements at cost | 56 | - | - | 56 | 1 |
| Disposals net proceeds | - | - | - | - | (649) |
| Revaluation gains/(losses) in the year | 855 | - | - | 855 | 489 |
| Valuation at end of year | 2,881 | 1,900 | 7,566 | 12,347 | 11,436 |

A valuation of the agricultural properties was prepared by TW Gaze LLP in October 2018.

Formal valuations of the commercial properties, and the main property included in other property, were prepared by Savills at October 2013 and November 2014 respectively.

11 OTHER INVESTMENTS

All investments are held at fair value.

| | 2018 £'000 | 2017 £'000 |
|---|-----------------------|---------------|
| Investments | | |
| Valuation at start of year | 41,230 | 33,352 |
| Transfer to property investments | - | (66) |
| New money invested | 1,075 | 3,735 |
| Amounts withdrawn | (85) | (88) |
| Reinvested income | 6 | 57 |
| Investment management fees | (107) | (126) |
| (Decrease)/increase in value of investments | 3,462 | 4,366 |
| Investments at end of year | 45,581 | 41,230 |

| Investments comprise: | Held outside the UK £'000 | Held in the UK £'000 | 2018 Total £'000 | Held outside the UK £'000 | Held in the UK £'000 | 2017 Total £'000 |
|-----------------------------------|---------------------------------|----------------------------|---------------------------------|---------------------------------|----------------------------|------------------------|
| Equity investments | 29,317 | - | 29,317 | 26,088 | - | 26,088 |
| Global multi-asset funds | - | 6,563 | 6,563 | - | 5,255 | 5,255 |
| Property funds | 637 | 3,815 | 4,452 | 917 | 3,600 | 4,517 |
| Fixed interest stocks | 2,266 | - | 2,266 | 2,325 | - | 2,325 |
| Alternative and other investments | 381 | - | 381 | 388 | 3 | 391 |
| Fixed term deposits and cash | 2,602 | - | 2,602 | 2,654 | - | 2,654 |
| Total group investments | 35,203 | 10,378 | 45,581 | 32,372 | 8,858 | 41,230 |

Wolfson College

Notes to the financial statements

For the year ended 31 July 2018

12 SUBSIDIARY UNDERTAKINGS

Wolfson College holds 100% of the share capital of Wolfson College Developments Limited. This company has been inactive for many years other than the administration costs of retaining it as a registered company. The net assets of the company are £2 and the company has not been consolidated in these accounts on the grounds of immateriality.

13 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from February 2014. The investment return to be applied as income is calculated as up to 3% of the average of the year-end values of the relevant investments of the last five years. The preserved (frozen) value of the invested endowment capital represents its open market value at 31 July 2015 together with all subsequent endowments valued at date of gift.

| | Trust for Investment £'000 | Permanent Endowment Unapplied Total Return £'000 | Total £'000 | Expendable Endowment £'000 | Total Endowments £'000 |
|--|----------------------------------|--|----------------|----------------------------------|------------------------------|
| At the beginning of the year: | | | | | |
| Gift component of the permanent endowment | 18,910 | - | 18,910 | - | 18,910 |
| Unapplied total return | - | 2,206 | 2,206 | - | 2,206 |
| Expendable endowment | - | - | - | 22,494 | 22,494 |
| Total Endowments | 18,910 | 2,206 | 21,116 | 22,494 | 43,610 |
| Movements in the reporting period: | | | | | |
| Gift of endowment funds | 43 | - | 43 | - | 43 |
| Recoupment of trust for investment | - | - | - | - | - |
| Allocation from trust for investment | - | - | - | - | - |
| Investment return: dividends and interest | - | 483 | 483 | 523 | 1,006 |
| Investment return: realised and unrealised gains and losses | - | 1,696 | 1,696 | 1,843 | 3,539 |
| Less: Investment management costs | - | (103) | (103) | (111) | (214) |
| Other transfers | - | - | - | 181 | 181 |
| Total | 43 | 2,076 | 2,119 | 2,436 | 4,555 |
| Unapplied total return allocated to income in the reporting period | - | (489) | (489) | (710) | (1,199) |
| Expendable endowments transferred to income | - | - | - | - | - |
| | - | (489) | (489) | (710) | (1,199) |
| Net movements in reporting period | 43 | 1,587 | 1,630 | 1,726 | 3,356 |
| At end of the reporting period: | | | | | |
| Gift component of the permanent endowment | 18,953 | - | 18,953 | - | 18,953 |
| Unapplied total return | - | 3,793 | 3,793 | - | 3,793 |
| Expendable endowment | - | - | - | 24,220 | 24,220 |
| Total Endowments | 18,953 | 3,793 | 22,746 | 24,220 | 46,966 |

Wolfson College
Notes to the financial statements
For the year ended 31 July 2018

14 DEBTORS

| | 2018 | 2017 |
|---|--------------|-------|
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Trade debtors | 36 | 82 |
| Amounts owed by College members | 22 | 86 |
| Loans repayable within one year | 3 | 7 |
| Prepayments and accrued income | 236 | 1,080 |
| Other debtors | 88 | 9 |
| | 385 | 1,264 |

Prepayments and accrued income at 31 July 2017 includes legacy balances amounting to £875k.

15 CREDITORS: falling due within one year

| | 2018 | 2017 |
|---------------------------------|--------------|-------|
| | £'000 | £'000 |
| Trade creditors | 348 | 293 |
| Amounts owed to College Members | 207 | 162 |
| Taxation and social security | 77 | 70 |
| Accruals and deferred income | 474 | 405 |
| Other creditors | 37 | 31 |
| | 1,143 | 961 |

16 FUNDS OF THE COLLEGE MOVEMENTS

| | At 1 August 2017 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2018 £'000 |
|-------------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| Endowment Funds - Permanent | | | | | | |
| General purposes | 16,167 | 376 | (80) | (381) | 1,325 | 17,407 |
| Jeremy Black Fund | 844 | 20 | (4) | (20) | 69 | 909 |
| Isaiah Berlin Academic Fund | 788 | 18 | (4) | (19) | 65 | 848 |
| Assyriology Scholarship Fund | 730 | 17 | (4) | (17) | 60 | 786 |
| Marcel & Tessa Hornik Trust Fund | 394 | 9 | (2) | (9) | 32 | 424 |
| Guy Newton Fund | 389 | 9 | (2) | (9) | 32 | 419 |
| Norman Hargreaves-Mawdsley Fund | 266 | 6 | (1) | (6) | 22 | 287 |
| Godfrey Lienhardt Fund | 241 | 6 | (1) | (6) | 20 | 260 |
| Sir Ronald Syme Memorial Fund | 70 | 2 | (1) | (2) | 6 | 75 |
| Ghazarian Fund | 24 | 1 | - | (1) | 2 | 26 |
| Anthony Aris Lecture Fund | 34 | 3 | - | (1) | 2 | 38 |
| Geoffrey Garton Fund | 1,019 | 55 | (3) | (14) | 49 | 1,106 |
| Isaiah Berlin Lecture Fund | 150 | 4 | (1) | (4) | 12 | 161 |
| Endowment Funds - Expendable | | | | | | |
| General purposes | 21,930 | 510 | (108) | (516) | 1,797 | 23,613 |
| Charter Fund | 397 | 9 | (2) | (9) | 32 | 427 |
| Semetic Philology Endowment | 167 | 4 | (1) | (4) | 14 | 180 |
| Total Endowment Funds | 43,610 | 1,049 | (214) | (1,018) | 3,539 | 46,966 |

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Notes to the financial statements
For the year ended 31 July 2018

16 FUNDS OF THE COLLEGE MOVEMENTS (continued)

| | At 1 August 2017 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2018 £'000 |
|---------------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| Restricted Funds | | | | | | |
| Revenue funds of endowments: | | | | | | |
| Jeremy Black Fund | 44 | - | (36) | 20 | - | 28 |
| Isaiah Berlin Academic Fund | 236 | - | - | 19 | - | 255 |
| Assyriology Scholarship | 6 | - | (13) | 17 | - | 10 |
| Marcel & Tessa Hornik Trust Fund | 155 | - | (3) | 9 | - | 161 |
| Guy Newton Fund | 167 | - | (7) | 9 | - | 169 |
| Norman Hargreaves-Mawdsley Fund | 64 | - | - | 6 | - | 70 |
| Godfrey Lienhardt Fund | 61 | - | (2) | 6 | - | 65 |
| Sir Ronald Syme Memorial Fund | 5 | - | (1) | 2 | - | 6 |
| Ghazarian Fund | 6 | - | - | 1 | - | 7 |
| Anthony Aris Lecture Fund | - | - | (1) | 1 | - | - |
| Geoffrey Garton Fund | - | - | - | 14 | - | 14 |
| Isaiah Berlin Lecture Fund | - | - | - | 4 | - | 4 |
| Charter Fund | 317 | - | (69) | 9 | - | 257 |
| Other restricted income funds: | | | | | | |
| Oxford Centre for Life Writing | 732 | - | (103) | - | - | 629 |
| Semitic Philology Scholarship | 103 | - | (25) | 4 | - | 82 |
| Beazley Archive Trust | 24 | - | - | - | - | 24 |
| Isaiah Berlin Legacy Project | 25 | 118 | (48) | - | - | 95 |
| Ancient World Fund | 137 | 60 | (43) | - | - | 154 |
| Egyptology Scholarship Fund | 31 | - | (29) | - | - | 2 |
| Mougins Ashmolean Fellowship Fund | 73 | - | (36) | - | - | 37 |
| Mougins Ashmolean Scholarship | - | - | - | - | - | - |
| Ti-Se Foundation Fund | 94 | 33 | (21) | - | - | 106 |
| Law Justice & Society Fellowship Fund | 54 | 61 | (62) | - | - | 53 |
| Harrison Scholarship Fund | 55 | 52 | (21) | - | - | 86 |
| Ancient History Scholarship Fund | 27 | - | (13) | - | - | 14 |
| Ancient Documents Scholarship Fund | 26 | - | - | - | - | 26 |
| I C Gandy Fund | 15 | - | - | - | - | 15 |
| Assyriology Research Fund | 5 | - | - | - | - | 5 |
| Coulson Visiting Fellowship Fund | 3 | - | - | - | - | 3 |
| Littman Vermes Scholarship Fund | 8 | 5 | (8) | - | - | 5 |
| Pakistan Lecture Series | 7 | - | (3) | - | - | 4 |
| Law Justice & Society Cluster | 12 | - | (14) | 14 | - | 12 |
| Korean Studies | 55 | - | (34) | - | - | 21 |
| Innovation Network Fund | 30 | 7 | (13) | - | - | 24 |
| Grants & Awards Fund | 10 | - | - | - | - | 10 |
| Gardens Fund | - | - | - | - | - | - |
| Stallworthy Poetry Fund | 10 | 5 | - | - | - | 15 |
| Development Specific Funds | 7 | - | - | - | - | 7 |
| Berggruen Fellowship Fund | 163 | - | (67) | - | - | 96 |
| Quantum Research Cluster | 17 | 27 | (16) | - | - | 28 |
| Tibetan & Himalayan Cluster | - | - | (6) | 2 | - | (4) |
| Lacey Philosophy Fund | - | 10 | - | - | - | 10 |
| Sciama Memorial Fund | - | 10 | - | - | - | 10 |
| Other specific donations | - | 2 | (2) | - | - | - |
| Library Fund | 1 | 1 | - | - | - | 2 |
| Total Restricted Funds | 2,785 | 391 | (696) | 137 | - | 2,617 |

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Notes to the financial statements
For the year ended 31 July 2018

16 FUNDS OF THE COLLEGE MOVEMENTS (continued)

| | At 1 August 2017 £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | At 31 July 2018 £'000 |
|----------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| Unrestricted Funds | | | | | | |
| General reserves | 5,597 | 6,022 | (6,770) | 1,279 | 778 | 6,906 |
| Oxford Marriott Scholarship Fund | 2,791 | - | (133) | 133 | - | 2,791 |
| Common Room Fund | 295 | - | - | 42 | - | 337 |
| Sundry designated reserves | 4 | - | - | - | - | 4 |
| Fixed asset designated funds | 19,989 | - | - | (573) | - | 19,416 |
| Pension reserve | (891) | - | (5) | - | - | (896) |
| Total Unrestricted Funds | 27,785 | 6,022 | (6,908) | 881 | 778 | 28,558 |
| Total Funds | 74,180 | 7,462 | (7,818) | - | 4,317 | 78,141 |

17 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds

Endowment Funds - Permanent:

| | |
|----------------------------------|--|
| General purposes | A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity. |
| Jeremy Black Fund | Fund established by a bequest from Dr Jeremy Allen Black and supplemented by further funds donated at the time of his death. Original funds are required to be preserved. Income of the fund is for a scholarship supporting Sumarian and Akkadian research. |
| Isaiah Berlin Academic Fund | Fund established in 1989 to commemorate the College's founding President's 80th birthday. The funds were raised to support Isaiah Berlin research. Subsequent funds raised for this purpose have been added to the original funds. |
| Assyriology Scholarship Fund | Fund established to endow a scholarship for the study of Assyriology. |
| Marcel & Tessa Hornik Trust Fund | Fund established from the Lincombe Lodge Research Library Trust and includes the Hornik Library collection. Income from the fund may be spent in a variety of areas including expenses of the library, and supporting research in a number of subjects. |
| Guy Newton Fund | Fund endowed in 1975 from the EPA Cephalosporia Fund. The deed limits expenditure on subjects to be studied to chemical, biological and medical research and states that the endowment should be preserved. |
| Norman Hargreaves-Mawdsley Fund | Fund established by a bequest from Mrs Josefina Hargreaves-Mawdsley in memory of her son. Income is to be used to finance research in specific arts subject areas. |
| Godfrey Lienhardt Fund | Fund established in 1994 from a legacy and subscription on the death of Godfrey Lienhardt. Capital is to be preserved and income is to be used for scholarships in social anthropology and Sub-Saharan Africa. |
| Sir Ronald Syme Memorial Fund | Fund established in memory of Sir Ronald Syme to support research into the classics. |
| Ghazarian Fund | Fund established in 2006 by a donation from Professor Ghazarian to secure in perpetuity an annual grant in support of research in the history and culture of Christianity in the Mediterranean basin, 400-1500 A.D. |
| Anthony Aris Lecture Fund | Fund established as an endowment to fund an annual lecture in Tibetan and Himalayan Studies. |
| Geoffrey Garton Fund | Fund established in 2017 by a legacy from Dr Geoffrey Garton. Income from the fund is to be used to support College activities including arts, music concerts and gardens. |
| Isaiah Berlin Lecture Fund | Fund established in 2017 from a specific gift to create the endowment. Income from the fund is to be used to support the annual Isaiah Berlin lecture. |

Wolfson College
Notes to the financial statements
For the year ended 31 July 2018

17 FUNDS OF THE COLLEGE DETAILS (continued)

Endowment Funds - Expendable:

| | |
|-----------------------------|---|
| General purposes | A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity. |
| Charter Fund | Fund established in 1981, the income of which supports various stipendary research fellowships. |
| Semetic Philology Endowment | Fund established towards endowing expenditure in the study of Semetic Philology. |

Restricted Funds:

| | |
|--------------------------------|---|
| Restricted funds of endowments | Income generated from specific purpose endowments not spent and available for future costs of specified purposes. |
| Other restricted income funds | Gifts and donations that must be applied in support of other specified College activities. |

Designated Funds

| | |
|----------------------------------|--|
| Fixed asset designated fund | Unrestricted funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes. |
| Oxford Marriott Scholarship Fund | Allocation of funds to generate an income to be used towards match-funded scholarships in conjunction with the University of Oxford. |
| Common Room Fund | Unrestricted funds allocated by the College for the costs of providing social, sporting and cultural activities for College members. |
| Pension reserve | Unrestricted funds which are represented by the College's pension fund liabilities. |

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2018 Total £'000 |
|----------------------------------|--------------------------------|------------------------------|-----------------------------|------------------------|
| 2018 | | | | |
| Tangible fixed assets | 19,416 | - | - | 19,416 |
| Property investments | 2,469 | - | 9,878 | 12,347 |
| Other investments | 7,447 | 1,046 | 37,088 | 45,581 |
| Net current assets/(liabilities) | 122 | 1,571 | - | 1,693 |
| Pension fund liability | (896) | - | - | (896) |
| | <u>28,558</u> | <u>2,617</u> | <u>46,966</u> | <u>78,141</u> |
| | | | | |
| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | 2017 Total £'000 |
| 2017 | | | | |
| Tangible fixed assets | 19,989 | - | - | 19,989 |
| Property investments | 4,936 | - | 6,500 | 11,436 |
| Other investments | 3,548 | 1,741 | 35,941 | 41,230 |
| Net current assets/(liabilities) | 203 | 1,044 | 1,169 | 2,416 |
| Pension fund liability | (891) | - | - | (891) |
| | <u>27,785</u> | <u>2,785</u> | <u>43,610</u> | <u>74,180</u> |

19 TRUSTEES' REMUNERATION

The trustees of the college comprise the Governing Body Fellows, many of whom are research and teaching employees of the University of Oxford and who sit on Governing Body by virtue of their University and College duties.

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the College receive salaries for their work as employees. Governing Body Fellows receive a stipend for their support of the academic functions of the College. All salaries are subject to review by the College's Remuneration & Personnel Committee. The composition of the Remuneration Committee is set out in the Report of the Governing Body, Officers and Advisers.

There are also 6 trustees (President, Vicegerent, Bursar, Senior Tutor, Development Director, Secretary to Governing Body) who work full or part time on management and fundraising.

Some trustees receive allowances for additional work carried out as part-time college officers (Fellow for Library & Archives, Deans of Degrees). These amounts are included within the remuneration figures below.

Remuneration paid to trustees

| Range | 2018 | | 2017 | |
|---------------------|--------------------|---|--------------------|---|
| | Number of trustees | Gross remuneration, taxable benefits and pension contributions £ | Number of trustees | Gross remuneration, taxable benefits and pension contributions £ |
| £1 - £999 | 0 | 0 | 1 | 438 |
| £2,000 - £2,999 | 17 | 43,852 | 44 | 124,527 |
| £3,000 - £3,999 | 27 | 83,771 | 3 | 10,509 |
| £4,000 - £4,999 | 1 | 4,090 | 2 | 8,606 |
| £6,000 - £6,999 | 0 | 0 | 1 | 6,656 |
| £7,000 - £7,999 | 2 | 14,689 | 1 | 7,532 |
| £8,000 - £8,999 | 1 | 8,585 | 0 | 0 |
| £13,000 - £13,999 | 1 | 13,603 | 0 | 0 |
| £15,000 - £15,999 | 1 | 15,426 | 1 | 15,022 |
| £16,000 - £16,999 | 1 | 16,051 | 0 | 0 |
| £20,000 - £20,999 | 1 | 20,679 | 0 | 0 |
| £22,000 - £22,999 | 1 | 22,500 | 0 | 0 |
| £45,000 - £45,999 | 0 | 0 | 1 | 45,971 |
| £67,000 - £67,999 | 1 | 67,551 | 0 | 0 |
| £96,000 - £96,999 | 0 | 0 | 1 | 96,582 |
| £97,000 - £97,999 | 0 | 0 | 1 | 97,082 |
| £98,000 - £98,999 | 1 | 98,733 | 0 | 0 |
| £99,000 - £99,999 | 1 | 99,974 | 0 | 0 |
| £119,000 - £119,999 | 0 | 0 | 1 | 119,494 |
| Total | 56 | 509,504 | 57 | 532,419 |

All trustees may eat at common table, as can other employees who are entitled to meals while working.

Other transactions with trustees

No trustee claimed expenses in connection with any work performed in discharge of duties as a trustee.

Note 26 provides further information on related party transactions.

Key management remuneration

The total remuneration paid to key management was £341k (2017: £391k).

Key management are considered to be the President, the Vicegerent, the Bursar, the Senior Tutor, the Development Director and the Secretary to Governing Body.

20 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). The schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary) and until April 2016 were contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. The schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS 102 paragraph 28.11, the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Both schemes are in deficit. The College has recognised a provision of £896k (2017: £891k) for the present value of the estimated future deficit funding element of the contributions payable for the agreed deficit funding plan. In calculating these provisions the College has estimated that salary expense will increase at 2% p.a. and the liability is discounted at a corporate bond rate of 1.95% for OSPS and 2.20% for USS.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. However, in OSPS the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

Actuarial valuations

Qualified actuaries periodically value the USS and OSPS schemes using the 'projected unit method', embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels are for the two schemes shown in the following table.

| | USS | OSPS |
|--|-------------------------|--|
| Date of valuation: | 31/03/2014 | 31/03/2016 |
| Date valuation results published: | 24/07/2015 | 28/04/2017 |
| Value of liabilities: | £46.9bn | £661m |
| Value of assets: | £41.6bn | £528m |
| Funding surplus / (deficit): | (£5.3bn) ^a | (£133m) ^b |
| Principal assumptions: | | |
| · Investment return | 5.2%pa ^c | - |
| · Rate of interest (periods up to retirement) | - | 'Gilts' + 1.2%pa |
| · Rate of interest (periods up after retirement) | - | 'Gilts' + 1.2%pa |
| · Rate of increase in salaries | RPI + 1%pa ^d | RPI + 1%pa |
| · Rate of increase in pensions | CPI pa ^d | Average RPI/CPI pa |
| Mortality assumptions: | | |
| · Assumed life expectancy at age 65 (males) | 24.2 yrs | 22.4 yrs |
| · Assumed life expectancy at age 65 (females) | 26.3 yrs | 24.7 yrs |
| Funding Ratios: | | |
| · Technical provisions basis | 89% | 80% |
| · Statutory Pension Protection Fund basis | 82% | 67% |
| · 'Buy-out' basis | 54% | 42% |
| · Estimated FRS 102 Total Funding level | 77% | 82% |
| Recommended employer's contribution rate (as % of pensionable salaries): | 18% ^e | 23% decreasing to 19% from 01/08/2017 ^f |
| Effective date of next valuation: | 31/03/2017 | 31/03/2019 |

20 PENSION SCHEMES (continued)

- a. USS's actuarial valuation as at 31 March 2014 takes into account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 were calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a., with the threshold applying from 1 October 2016; member contributions are 8% of salary; a defined contribution benefit for salary above the salary threshold at the total level of 20% of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is matched by the employer. Further details about the benefits may be reviewed on USS' website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution was 0.7% p.a. of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a of salaries. At 31 March 2018 USS reported that the estimated funding deficit was £8.4 bn (88% funded).
- b. OSPS' actuarial valuation as at 31 March 2016 identified a required long-term employer contribution rate of 17.3% of total pensionable salaries, with a funding deficit of £133 m. The valuation results reflect a number of changes to benefits that were agreed following an Employers' consultation in early 2017, including from 1 April 2017 a change in indexation based on the average of RPI and CPI, from 1 October 2017 a defined contribution section for new entrants and from 1 April 2018 breaking the final salary link for certain members and increased employee contributions. The actuary has certified that the recovery plan should eliminate the deficit by 30 June 2027. The next triennial valuation is due with an effective date of 31 March 2019.
- c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.
- d. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI + 1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% p.a less an inflation risk premium) less RPI/CPI gap of 0.8% p.a.
- e. As noted above (note a) the USS employer contribution rate is 18% of salaries from 1 April 2016. The total employer contributions include provisions for the cost of future accrual of defined benefits (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section. The 2017 actuarial valuation of USS has been undertaken but this has not yet been formally completed. The 2017 valuation has set out the challenges currently facing the scheme and the likelihood of significant increases in contributions being required to address these challenges. In the judgement of the College, as the 2017 valuation has not formally completed, and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation. However, there is a significant risk that the year-end provision as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The college expects to have greater clarity in this respect during the next financial year.
- f. As noted above (note b), the OSPS employer contribution rate required for future service benefits in the defined benefit section alone is 17.3% of total pensionable salaries from 1 April 2018. The employer contribution rate was 23% from 1 August 2016 to 31 July 2017. It was agreed that employer contribution rate would be 19% for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of contribution for defined contribution members would be paid to the defined benefit section to cover the deficit recovery plan, the provision of ill-health and death-in service benefits and the expenses of administering the defined contribution section.

20 PENSION SCHEMES (continued)

Sensitivity of actuarial valuation assumptions

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

USS

| <i>Assumption</i> | <i>Change in assumption</i> | <i>Impact on USS liabilities</i> |
|---------------------------------|--|----------------------------------|
| Initial discount rate | increase / reduce by 0.25% | decrease / increase by £0.8bn |
| Discount rate in 20 years' time | increase / reduce by 0.25% | decrease / increase by £1.1bn |
| RPI inflation | increase / reduce by 0.1% | increase / decrease by £0.8bn |
| Rate of mortality | more prudent assumption (mortality used at last valuation, rated down by a further year) | increase by £0.5bn |

OSPS

| <i>Assumption</i> | <i>Change in assumption</i> | <i>Impact on OSPS technical provisions (from 80% funded at 31/03/2016)</i> |
|----------------------------|--|--|
| Valuation rate of interest | decrease by 1.0% | 68% |
| Rate of pension increases | increase by 1.0% | 69% |
| Life expectancy | more prudent assumption (life expectancy increases by 3 years) | 72% |

Pension charge for the year

The pension charge recorded by the College during the accounting period was equal to the contributions payable after allowance for the deficit recovery plan as follows:

| Scheme | 2018 | 2017 |
|---|-------------|-------------|
| | £'000 | £'000 |
| Universities Superannuation Scheme | 196 | 254 |
| University of Oxford Staff Pension Scheme | 207 | 193 |
| Total | 403 | 447 |

Included in other creditors and accruals are pension contributions payable of £nil.

21 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. Accordingly no provision for taxation has been included in the financial statements.

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Notes to the financial statements
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22 FINANCIAL INSTRUMENTS

| | Note | 2017 £'000 | 2016 £'000 |
|---|------|---------------|---------------|
| Financial assets | | | |
| <i>Measured at fair value</i> | | | |
| Other investments | 11 | <u>45,581</u> | <u>41,230</u> |
| <i>Measured at undiscounted amount receivable</i> | | | |
| Trade debtors and amounts owed by College members | 14 | 58 | 168 |
| Cash at bank | 24 | <u>2,282</u> | <u>1,947</u> |
| Financial liabilities | | | |
| <i>Measured at undiscounted amount payable</i> | | | |
| Trade creditors and amounts owed to College members | 15 | <u>555</u> | <u>455</u> |

23 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

| | 2018 £'000 | 2017 £'000 |
|--|---------------|----------------|
| Net income/(expenditure) | 3,961 | 5,579 |
| Elimination of non-operating cash flows: | | |
| Investment income | (1,226) | (1,060) |
| (Gains)/losses in investments | (4,317) | (4,855) |
| Endowment donations | (43) | (1,177) |
| Financing costs | 24 | 30 |
| Depreciation | 829 | 875 |
| (Profit)/loss on sale of fixed assets | - | 6 |
| Decrease/(Increase) in stock | (3) | (36) |
| Decrease/(Increase) in debtors | 879 | (641) |
| (Decrease)/Increase in creditors | 182 | (353) |
| (Decrease)/Increase in pension scheme liability | 5 | 11 |
| Net cash provided by (used in) operating activities | <u>291</u> | <u>(1,621)</u> |

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2018 £'000 | 2017 £'000 |
|--|---------------|---------------|
| Cash at bank and in hand | 2,282 | 1,947 |
| Total cash and cash equivalents | <u>2,282</u> | <u>1,947</u> |

Wolfson College

Notes to the financial statements

For the year ended 31 July 2018

25 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July 2018 or 31 July 2017 for future capital projects.

26 RELATED PARTY TRANSACTIONS

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS 102.

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in note 19.

The College has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

| | 2018 | 2017 |
|--|-----------|-----------|
| | £'000 | £'000 |
| Total net book value of properties owned jointly with trustees | <u>66</u> | <u>66</u> |
| | <u>66</u> | <u>66</u> |

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustee pays rent to the College on the College owned share at the assessed market rate.

27 CONTINGENT LIABILITIES

There are ongoing negotiations on the funding of the USS pension deficit (note 20). This might cause an increase in the pension recovery plan provision in 2018/19.

28 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.