

Pembroke College
Annual Report and Financial Statements
31st July 2019



PEMBROKE COLLEGE
Annual Report and Financial Statements

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PEMBROKE COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2019

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law.

During the year the activities of the Governing Body were principally carried out through five committees.

- (1) Finance and Planning Committee
- (2) Investment Committee
- (3) Academic Committee
- (4) Development Committee
- (5) Welfare and Equality Committee

In addition, the Fellows' Remuneration Committee (6) considers matters relating to the remuneration of the members of Governing Body.

The members of the Governing Body and those who served in office as Trustees during the year and the membership of the above committees are shown below.

		(1)	(2)	(3)	(4)	(5)	(6)
Dame Lynne Brindley	Master	•		•	•		
Professor Lynda Mugglestone							
Dr Tim Farrant							
Professor Jeremy Taylor							
Professor Stephen Whitefield	Vicegerent to 30 Sep 2018	•		•			
Professor Helen Small	Left 30 Sep 2018						
Professor Owen Darbishire	Vicegerent from 1 Oct 2018	•		•			
Professor Adrian Gregory				•			
Professor Christopher Melchert							
Professor Raphael Hauser							
Professor Ben Davis				•			
Professor Stephen Tuck						•	
Professor Theo van Lint							
Mr John Church	Advisory Fellow				•		
Professor Ariel Ezrachi					•		

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		(1)	(2)	(3)	(4)	(5)	(6)
Professor Andre Furger				•			
Professor Guido Bonsaver							
Professor Jonathan Rees							•
Professor Rebecca Williams							
Professor Linda Flores						•	
Professor Irene Tracey							
Revd Dr Andrew Teal	Chaplain					•	
Dr Brian A'Hearn		•					
Dr Eamonn Molloy	Dean		•	•		•	
Professor Clive Siviour							
Mr Roger Boning		•					•
Professor Nick Kruger							
Professor Nicolai Sinai				•			
Professor Hannah Smithson					•		
Professor Min Chen							
Professor Ingmar Posner			•				
Mr Mike Wagstaff	Advisory Fellow	•					
Professor Sandra Fredman							
Professor Alfons Weber							
Mr Mike Naworynsky	Home Bursar	•			•	•	
Professor Tim Woollings							
Professor Andy Orchard					•		
Professor Andy Baldwin							
Dr Peter Claus				•	•		
Professor Justin Jones				•			
Professor Guy Kahane							
Professor Henrietta Harrison				•			
Professor Damian Rössler		•					

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		(1)	(2)	(3)	(4)	(5)	(6)
Professor Anandi Mani							
Ms Nancy Braithwaite	Academic Director	•		•	•	•	
Professor Pramila Krishnan		•					
Professor Nick Hawes				•			
Mr Stephen Gosztony	Advisory Fellow						
Mr Jeremy Bennett	Bursar	•	•		•		
Mrs Alice Gosling	Strategic Development Director	•			•		
Professor Roberto Salguero-Gomez	Appointed 1 st Sep 2018						
Dr James Read	Appointed 1 st Sep 2018						
Dr Vedit Nanda	Appointed 1 st Sep 2018						

Undergraduate and graduate students were represented in the Open sessions of Governing Body and the Finance and Planning, Academic and Welfare and Equality Committees.

Ms Lisha Patel, Mrs Beatrice Hollond, Mr Olivier Meyohas and Mr William Hooton served as external members of the Investment Committee.

COLLEGE OFFICERS

The Officers of the College to whom day to day management was delegated during the year were as follows:

Dame Lynne Brindley	Master
Professor Stephen Whitefield	Vicegerent to 30 th Sep 2018
Ms Nancy Braithwaite	Academic Director
Mr Jeremy Bennett	Bursar
Mr Mike Naworynsky	Home Bursar
Dr Eamonn Molloy	Dean
Mrs Alice Gosling	Strategic Development Director
Professor Owen Darbishire	Vicegerent from 1 st Oct 2018

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COLLEGE ADVISERS

Investment Managers

Oxford University Endowment Management Ltd
Blackstone Alternative Asset Management L.P.
Hamilton Lane (UK) Ltd
Vanguard Asset Management Ltd

Auditor

Crowe U.K. LLP

Bankers

The Royal Bank of Scotland plc
Santander UK plc

Solicitors

Blake Morgan LLP
Freeths LLP
Penningtons Manches LLP

College Address

Pembroke College, Oxford OX1 1DW

Website

www.pmb.ox.ac.uk

PEMBROKE COLLEGE
Report of the Governing Body
Year ended 31 July 2019

The Members of the Governing Body present their Annual Report for the year ended 31 July 2019 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Master, Fellows and Scholars of Pembroke College in the University of Oxford, known as Pembroke College, is an independent self-governing charitable institution. It was founded on the initiative of Dr Thomas Clayton, Principal of Broadgates Hall, who secured the necessary endowment left in legacies by Thomas Tesdale and Richard Wightwick to amalgamate several smaller halls sited along the City Wall with the fifteenth-century Broadgates Hall, to form a new College. The original statutes were drawn up by Royal Commission in 1624. The corporation comprises the Master, Fellows and Scholars. The College became a registered charity (no. 1137498) in August 2010.

The College address is Pembroke College, Oxford OX1 1DW; telephone 01865 276444, website www.pmb.ox.ac.uk

The names of all Members of the Governing Body in office during the year, together with details of the College Officers and advisers of the College, are given on pages 3 to 6 of this report.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Governing Body of the College comprises the Master and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Chancellor of the University of Oxford. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1624, and the Universities of Oxford and Cambridge Act 1923. The Governing Body is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Master and is advised by a range of committees which in 2018/19 includes the Finance and Planning Committee, the Academic Committee, the Development Committee, Welfare and Equalities Committee and the Investment Committee.

Governing Body

The Governing Body determines the 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 Master.

Recruitment and training of Members of the Governing Body

Members of the Governing Body have been informed about their responsibilities as trustees and are able to attend 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 who are primarily Fellows are teaching and research employees of the College (or University) and receive no remuneration or benefits from their trusteeship of the College. Those trustees that are also employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Fellows' Remuneration Committee. Members of this Committee are Fellows not in receipt of remuneration from the College or external parties. Where possible, remuneration is set in line with that awarded to the University's academic staff and by reference to the Oxford College median.

The remuneration of college staff is set by the Staff Remuneration Committee by reference to the Oxford College Median as stated in the Estates Bursars Committee survey.

Organisational management

The Governing Body meets nine times a year. The work of developing their policies and overseeing the key activities is also carried out by five Committees, which report to the Governing Body:

- The Finance and Planning Committee develops and reviews future plans, budgets, performance against budget, forecasts and other relevant information.

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Report of the Governing Body

Year ended 31 July 2019

- The Investment Committee develops the investment policy and oversees the performance of the College's investment portfolio.
- The Academic Committee develops and oversees the implementation and management of the College's Academic Policy, covering Admissions and the progression of undergraduates and graduates.
- The Welfare and Equality Committee develops and oversees the College's policies with regard to welfare, equality and diversity, and other related matters.
- The Development Committee meets on an ad hoc basis to consider matters relating to fundraising and alumni relations.

In addition, the Fellows' Remuneration Committee considers and recommends changes to the remuneration of those members of Governing Body who are also employees.

The day-to-day running of the College is mostly delegated to the College Officers, listed on page 5. Major issues are referred to the Governing Body and/or the relevant College committee.

Group structure and relationships

The College administers many special trusts and funds, as detailed in Notes 19 and 20 to the financial statements.

The College also has two wholly owned non-charitable subsidiaries: Pembroke College Enterprises Limited, which undertakes the College's major building works and whose annual profits are donated to the College under the Gift Aid Scheme, and Pembroke College Conferences and Events, a company limited by guarantee, whose profits will also be donated to the College under the Gift Aid Scheme. The trading activities of Pembroke College Conferences and Events primarily comprise revenue from letting of the College facilities when not in use by the College. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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.

Risk Management

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committees, chaired by the Master or one of the other College Officers. Financial risks are assessed by the Finance and Planning Committee and investment risks are monitored by the Investment Committee. In addition, the Home Bursar and domestic staff heads meet regularly to review health and safety and other related issues. Training courses and other forms of career development are provided to members of staff to enhance their skills in risk-related areas.

The following are the most important risks for the College:

- To retain and enhance the College's reputation for Academic excellence, it is critical to continue to attract undergraduate, graduate students and academic staff of the highest quality.
- The College could be exposed to a major catastrophe or security incident.
- The College depends on a number of sources of income which do not relate directly to Academic fees and domestic charges. These other sources of income include Conference income, Revenue Donations and Investment income. Although exposing the College to a broader range of risks, these serve to diversify the College's source of income making it less exposed to a few factors. The College is optimistic about the continued strong performance in these areas over the long-term.
- To fund its future plans for its development the College will need to continue to raise Capital Donations.
- It remains essential for the College to maintain effective financial controls and robust financial planning.
- The College has to comply with a range of contractual and regulatory requirements across the range of its activities.
- Post-Brexit there are uncertainties which might affect the College's ability to attract non-UK students and academics and the future of some research funding is unclear.

No specific risks are assessed to be in the highly-likely category. The Bursar and Home Bursar review of these risks confirmed that the mitigation measures in place are satisfactory.

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The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has 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.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's objects are to advance education, scholarship and research through the provision of a college in the University of Oxford.

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

- to promote excellence in undergraduate education, including pastoral and academic support.
- to provide pastoral and academic support to graduate students.
- to enable students to study at Oxford University, irrespective of their personal background and financial circumstances.
- to promote excellence in research on the part of the Fellows.

In recent years the College has benefitted from a detailed approach to budgeting and medium to long term planning. Most notable in this is the current plan to increase graduate accommodation in the College to meet increased demand and to further the College's academic programme. The College is seeking planning consent for an expansion of its Geoffrey Arthur site to provide over 80 new graduate bedrooms, studios and fellows flats.

The aims set for the College's subsidiaries are to help finance the achievement of the College's aims as above.

Activities and objectives of the College

The College's activities are focused on furthering its stated objects and aims for the public benefit.

Public Benefit

The College advances public learning by providing higher education for undergraduate and postgraduate students within Oxford University, and by supporting the pursuit of publicly disseminated research. In 2018/19 the College had 378 undergraduates (including 29 visiting students), 240 graduates, 65 Tutorial and Research Fellows who had contractual obligations to teaching and to research.

The College provides public benefit by offering higher education to its undergraduates, mostly through the tutorial system which provides the opportunity to meet with a tutor on a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching, as appropriate, in conjunction with the University's departments. To support student learning, the College also provides the use of the College's library, meeting rooms, auditorium and accommodation. The College actively promotes the wider cultural and social education of its students through music, drama, sports, careers advice and in other ways.

The College also advances research in a range of disciplines by employing academics who have a contractual obligation to undertake published research and providing them with a supportive academic atmosphere, including the provision of research grants, library and computer facilities, office accommodation and meals. The research activities of the majority of College fellows have been audited by the National Research Assessment Exercise; that research is disseminated through published papers, books, websites and lectures. The College supports the research of academics who, at the beginning of their careers, have already shown outstanding promise in their chosen field of research by supporting six Junior Research Fellowships.

Research is also supported through lectures and the provision of facilities to research centres and programmes.

The College offers undergraduate places on the basis of academic merit. The College aims to attract students who are able to benefit the most from an Oxford education regardless of sex, gender, income, ethnic origin, religion, previous education opportunity or disability, and actively works to recruit students from non-traditional backgrounds.

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Year ended 31 July 2019

During the academic year 2018/19, financial support was available to undergraduates from the UK/EU to assist them with the costs of tuition fees and living costs whilst at the College. In addition to student loans provided by the Student Loans Company, which are available to undergraduates from within the UK/EU, Oxford Bursaries and Moritz-Heyman, now renamed as Crankstart Scholarships, are available to undergraduates from lower income households at the College.

Graduates at the College form an important part of the academic community. Every graduate student is assigned a College Graduate Adviser who provides academic and pastoral support. Funding is available for some graduate studies and for exceptional graduates there are a number of scholarship funds available, administered by the University, the College or other sources.

The College awards a number of scholarships and exhibitions each year to undergraduates on course, based on their academic performance. In 2018/19 there were 60 scholarships and 30 exhibitions awarded to undergraduates. 52 scholarships were awarded to graduates. A number of academic prizes are available to undergraduates and graduates at the College; awarded on the basis of academic excellence. These scholarships, exhibitions and prizes serve to encourage academic endeavour at the College. The College also provides travel grants to meet costs involved in undertaking research.

The Governing Body of Pembroke College has considered the processes in place during the financial year ended 31 July 2019 and is satisfied that, with regard to public and publicly accountable funds received from the University of Oxford (out of grants from UK Research and Innovation other agencies and student fees) for the year ended 31 July 2019, the arrangements for achieving economy, efficiency, effectiveness and value for money were appropriate. In making this confirmation, members of the Governing Body are cognisant of their obligations as Charity Trustees to ensure that funds are correctly applied, in line with the objects of the College.

ACHIEVEMENTS AND PERFORMANCE

It is pleasing to report that in 2018/19 that more outstanding results were achieved by the College's students in their final exams. The rolling average of First Class degrees over a 3-year period is 38%. On the same metric 97% of undergraduates achieved First Class or Upper Second Class degrees. 2019 has seen 26 distinctions out of 72 taught graduates.

Combined with a number of prestigious University prizes across a wide range of subjects, this represents another good year for the College. At the same time, Pembroke students have been working to broaden their experiences and development alongside their studies, taking full advantage of the range of opportunities available to them, both within and external to the College, nationally and internationally. Thanks to the generosity of its donors, the College was also able to award some extraordinary internship and travel opportunities to its students.

Recognising that every effort must be made to attract the very best talent to the College, Pembroke continues to focus on its Outreach and Access activities. Through its Access Fellow, Pembroke is now widely acknowledged as a significant contributor to the OxNet Academic Access Programme, the results of which are now becoming encouraging. 39 of the State school offers made were to candidates with at least one flag of social, economic or educational deprivation. Furthermore 7 of state school offers to UK nationals were to pupils from the North West, where the College access programme is most active.

On the domestic side, the College continued with its programme of regular refurbishments. Over the summer, the new office suite for College IT, the Clerk of Works, Conference and key support staff was completed. In the year extensive work to various staircases was carried out combined with improvements to the JCR and MCR. A complete refurbishment of the boathouse was completed backed by a few significant donations. The College continued to develop its conference business, the results of which were very satisfactory, and the pipeline for future business is encouraging. The College has been highly effective at developing ancillary sources of income and, in this context, it was pleasing to note that both conference income and revenue donations made a very significant contribution.

During the year the College advanced plans for the potential renovation of the Library including the addition of a new floor and planning permission has been granted. The College Development Office is now seeking donor support to carry out this important piece of work.

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The College also took advantage of markets to refinance its existing higher cost fixed-rate bank debt via a private placement for 45 years for £40m. This also created capacity to invest in graduate accommodation and to pursue strategy investment opportunities in both real estate and the colleges investment portfolio. This issuance has light covenant requirements and has placed the College finances on a very stable footing for very many years.

FINANCIAL REVIEW

These financial statements present the accounts of Pembroke College and its subsidiaries and include all operational income and expenditure, donations and investment income and all the assets and liabilities of the College.

The Consolidated Statement of Financial Activities shows a net expenditure before gains of £(2,151)k (2018 net income £1,040k). However, after adding investment gains of £6,473k, the net increase in funds for the year was £4,322k (2018 £4,501k).

Total incoming resources increased to £14,786k (2018 £12,711k). This increase of £2,075k was mainly due to research centre income rising by £626k, donations increasing by £605k and conference income growing by £431k in comparison to 2018 results.

Exceptional items have resulted in a one-off increase in expenditure on charitable activities. The one off items are the arrangement of the private placement bond, the break costs of the existing loan and the increase in pension liability. Core activities have increased mainly due to additional costs in research centres and costs, the majority of which are covered by income in the year, increasing by £795k. Total expenditure is £16,937k (2018 £11,671k).

In the year, the College raised £1,274k as restricted donations. In addition, unrestricted donations amounted to £479k and a further £1,002k was donated to endowment funds.

The Total Funds of the College and its subsidiaries rose in the year to £90,453k from £86,131k in 2018.

Overall this represents a very satisfactory position as the College has continued to consolidate its financial and operational position. Careful expense control and the use of the College's estate to generate incremental income made for a successful year of financial operations. The College finished the year with a surplus that was considerably above budget despite a year that involved considerable investment in infrastructure.

The College's liability in respect of both Oxford Staff Pension Scheme (OSPS) and the Universities Superannuation Scheme (USS) are reflected in the figures included in the Financial Report. The College monitors the discussions regarding USS contributions carefully and has budgeted prudently and conservatively with respect to the likely outcomes of these discussions.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term and long-term financial obligations in the event of an unexpected revenue shortfall or increased cost. The College maintains a prudent buffer in cash and liquid assets to allow it to be managed efficiently and to ensure uninterrupted services.

Total funds of the College and its subsidiaries at the year-end amounted to £90,453k (2018: £86,131k). This includes long-term investments. Endowment funds equated to £63,208k, of which £44,610k is permanent endowment and £18,598k is expendable endowment. In addition, there is £5,185k that is restricted in its use but all of which falls within the College's charitable purpose and plans.

The College's unrestricted reserves at the year-end amounted to £25,043k, after excluding an amount of £19,966k for the book value of fixed assets less associated funding arrangements and the reserve against future pension deficits of £2,983k, free reserves are £2,094k. The governing body have reviewed the level of free reserves and consider this as acceptable as they are satisfied that there is sufficient unrestricted cash and liquid assets at the year end, £34,101k, to meet its short and long term financial obligations.

The insured value of the College's real estate and its contents is considerably in excess of £100,000,000.

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Report of the Governing Body

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Investment policy, objectives and performance

The College's investment objectives are to balance current and future 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 to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return (see below).

The investment strategy, policy and performance are monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £96,565k. The annualised total investment return was 11.8% on the weighted average investment portfolio available over the year, which compares favourably to the College's strategic benchmark return of 6.3% (RPI + 3.5%).

The College's existing Real Estate available for commercial letting is either fully let at an improved rental to prior years or is in the process of being let. There is only one small unit unlet currently with plans in hand. Total rental income in 2018/19 increased by 132% representing renewed efforts to improve rental returns for the College and to use all the estate to its full potential.

The carrying value of the preserved permanent capital and the amount of any unapplied total return available for expenditure was taken as the open market values of these funds as at 31 July 2002 together with the original gift value of all subsequent endowment received.

Under the total return accounting basis, it is the Governing Body's policy to draw down as income 3.5% (plus costs) of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn this 3.5% is calculated on the average of the year end values in each of the last three years.

In line with this policy, the equivalent of 3.5% of the average three-year end opening value of the property, securities and other investments, was drawn down as income on the total return basis in the year. The Governing Body will keep the level drawn down under review to balance the current and future needs and interests of the College.

FUTURE PLANS

The strategic planning work undertaken by the Governing Body covers the period 2017-27 and provides the framework for the way in which the College will continue to develop and support all of its members. This plan lays out further significant improvements to the College's facilities, including a new College Library and more accommodation for graduate students and considerable progress has been made in these areas as outlined in this report. The private placement carried out in 2018/19 has opened up further opportunities for strategic investments in real estate and in wider markets in order to boost the College's income stream.

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 have prepared the financial statements in accordance with 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).

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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 incoming or outgoing resources 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 them to ensure that the financial statements comply with the Charities Act 2011. They are 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 and signed on its behalf by:

Dame L. Brindley
Master

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Auditor's Report

Year ended 31 July 2019

Independent Auditor's Report to the Members of the Governing Body of Pembroke College

Opinion

We have audited the financial statements of Pembroke College for the year ended 31 July 2019 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2019 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

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Auditor's Report

Year ended 31 July 2019

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 12 and 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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Auditor's Report

Year ended 31 July 2019

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP

Statutory Auditor

London

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement of Cash Flows comprising the consolidation of the College and with its wholly owned subsidiaries Pembroke College Enterprises Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries and Pembroke College Conferences and Events. No separate SOFA has been presented for the College alone as permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are in note 13.

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 accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

Having reviewed the funding facilities available to the College together with the expected ongoing demand for places and the College's future projected cash flows, the Governing Body have a reasonable expectation that the College has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the College's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 12. The financial statements are prepared 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 Governing Body, in applying the accounting policies, have included an estimate for the College's share of the USS and OSPS pension scheme liabilities in relation to funding past service deficits – this involves a number of estimates as disclosed in note 23. The College also includes an estimate of the useful economic life of its buildings. This is reassessed annually.

Leases on equipment are classified as either operating or finance leases which require an evaluation of the terms and conditions of each lease to determine whether the College retains or acquires the significant risks and rewards of ownership of the leased assets and as a result recognises an asset and a liability for future payments relating to the capital element of the lease in the balance sheet.

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 to determine fair value at the balance sheet date – this involves a number of estimates.

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.

a. Income from fees, the Office for Students (formerly known as HEFCE) support and other charges for services

Fees receivable, less any scholarships, bursaries or other allowances granted from the College unrestricted funds, the Office for Students 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.

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 includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect expenditure 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.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2019

Grants awarded are expensed as soon as they become legal or operational commitments.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure in the consolidated financial statements.

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.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £30,000 together with expenditure on equipment costing more than £30,000 is capitalised.

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.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the SOFA as incurred.

8. Depreciation

Depreciation is provided to write off the cost of all 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
Plant and machinery	15 years
Equipment	5 - 15 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. Heritage Assets

The College has no assets which it considers should be classified as Heritage Assets.

10. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (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.

11. 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 and Fellows' Loans payable outwith one year of the reporting date are carried at their transaction price.

12. 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.

13. Foreign currencies

The functional and presentation currency of the College and its subsidiaries 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

14. 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.

15. Fund accounting

The total funds of the College and its subsidiaries 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 donor has 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 that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should 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.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2019

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.

16. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes 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.

The costs of retirement benefits provided to employees of the College through defined contribution arrangements are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

Pembroke College
Consolidated Statement of Financial Activities
For the year ended 31 July 2019

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2019 Total £'000	2018 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Teaching, research and residential	1	6,425	1,084	-	7,509	6,726
Other Trading Income	3	2,169	-	-	2,169	1,738
Donations and legacies	2	479	1,274	1,002	2,755	2,150
Investments						
Investment income	4	755	94	1,504	2,353	2,097
Total return allocated to income	14	877	1,223	(2,100)	-	-
Total income		10,705	3,675	406	14,786	12,711
EXPENDITURE ON:						
Charitable activities:						
Teaching, research and residential		11,830	2,842	-	14,672	9,625
Generating funds:						
Fundraising		561	27	-	588	547
Trading expenditure		1,301	-	-	1,301	1,228
Investment management costs		99	16	261	376	271
Total Expenditure	5	13,791	2,885	261	16,937	11,671
Net Income/(Expenditure) before gains		(3,086)	790	145	(2,151)	1,040
Net gains/(losses) on investments	11, 12	1,773	-	4,700	6,473	3,461
Net Income/(Expenditure)		(1,313)	790	4,845	4,322	4,501
Transfers between funds	19	120	(6)	(114)	-	-
Net movement in funds for the year		(1,193)	784	4,731	4,322	4,501
Fund balances brought forward	19	23,253	4,401	58,477	86,131	81,630
Funds carried forward at 31 July	19	22,060	5,185	63,208	90,453	86,131

Pembroke College
Consolidated and College Balance Sheets
As at 31 July 2019

	Notes	2019 Group £'000	2018 Group £'000	2019 College £'000	2018 College £'000
FIXED ASSETS					
Tangible assets	9	32,957	31,398	33,133	31,574
Property investments	11	3,596	4,519	3,596	4,519
Other Investments	12	92,969	60,302	92,969	60,302
Total Fixed Assets		129,522	96,219	129,698	96,395
CURRENT ASSETS					
Stocks		222	212	222	212
Debtors	15	1,734	2,153	2,958	2,439
Investments		-	1,502	-	1,502
Cash at bank and in hand		3,745	2,835	2,137	1,938
Total Current Assets		5,701	6,702	5,317	6,091
LIABILITIES					
Creditors: Amounts falling due within one year	16	1,680	2,211	1,298	1,601
NET CURRENT ASSETS		4,021	4,491	4,019	4,490
TOTAL ASSETS LESS CURRENT LIABILITIES		133,543	100,710	133,717	100,885
CREDITORS: falling due after more than one year	17	40,107	12,658	40,107	12,658
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		93,436	88,052	93,610	88,227
Defined benefit pension scheme liability	23	2,983	1,921	2,983	1,921
TOTAL NET ASSETS		90,453	86,131	90,627	86,306
FUNDS OF THE COLLEGE					
Endowment funds		63,208	58,477	63,208	58,477
Restricted funds		5,185	4,401	5,185	4,401
Unrestricted funds					
Designated funds		1,463	1,433	1,463	1,433
General funds		23,580	23,741	23,754	23,916
Pension reserve	23	(2,983)	(1,921)	(2,983)	(1,921)
		90,453	86,131	90,627	86,306

The financial statements were approved and authorised for issue by the Governing Body of Pembroke College on 4 December 2019.

Master: Dame L. Brindley

Bursar: Mr J. Bennett

Pembroke College
Consolidated Statement of Cash Flows
For the year ended 31 July 2019

	Notes	2019 £'000	2018 £'000
Net cash provided by (used in) operating activities	26	<u>(3,066)</u>	<u>475</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,353	2,097
Purchase of property, plant and equipment		(2,619)	(653)
Proceeds from sale of investments		478	18
Purchase of investments		(25,749)	(730)
Net (additions to) current asset investments		1,502	(1,502)
Net cash used in investing activities		<u>(24,035)</u>	<u>(770)</u>
Cash flows from financing activities			
Repayments of borrowing		(12,991)	(495)
Cash inflows from new borrowing		40,000	-
Receipt of endowment		1,002	340
Net cash provided by (used in) financing activities		<u>28,011</u>	<u>(155)</u>
Change in cash and cash equivalents in the reporting period		<u>910</u>	<u>(450)</u>
Cash and cash equivalents at the beginning of the reporting period		2,835	3,285
Cash and cash equivalents at the end of the reporting period	27	<u>3,745</u>	<u>2,835</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

1 INCOME FROM CHARITABLE ACTIVITIES	2019	2018
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,676	1,708
Tuition fees - Overseas students	958	734
Other fees	546	676
Other Office for Students support	83	84
Other academic income	273	324
College residential income	2,889	2,742
	6,425	6,268
Restricted funds		
Other academic income	1,084	458
	1,084	458
Total Teaching, Research and Residential	7,509	6,726
Total income from charitable activities	7,509	6,726
The above analysis includes £2,683k received from Oxford University from publicly accountable funds under the CFF Scheme (2018: £2,522k).		
Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £1k (2018: £6k). These are not included in the fee income reported above.		
2 DONATIONS AND LEGACIES	2019	2018
	£'000	£'000
Donations and Legacies		
Unrestricted funds	479	786
Restricted funds	1,274	1,024
Endowed funds	1,002	340
	2,755	2,150
3 INCOME FROM OTHER TRADING ACTIVITIES	2019	2018
	£'000	£'000
Subsidiary company trading income	2,166	1,738
Other trading income	3	-
	2,169	1,738
4 INVESTMENT INCOME	2019	2018
	£'000	£'000
<i>Unrestricted funds</i>		
Commercial rent	43	22
Equity dividends	676	56
Bank interest	36	12
	755	90
<i>Restricted funds</i>		
Equity dividends	94	124
	94	124
<i>Endowed funds</i>		
Commercial rent	246	106
Other property income	-	32
Equity dividends	1,258	1,745
	1,504	1,883
Total Investment income	2,353	2,097

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

5 ANALYSIS OF EXPENDITURE

	2019	2018
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,783	4,508
Other direct costs allocated to:		
Teaching, research and residential	3,741	2,757
Support and governance costs allocated to:		
Teaching, research and residential	6,148	2,360
Total charitable expenditure	<u>14,672</u>	<u>9,625</u>
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	332	319
Trading expenditure	373	359
Other direct costs allocated to:		
Fundraising	199	171
Trading expenditure	348	316
Investment management costs	3	2
Support and governance costs allocated to:		
Fundraising	57	57
Trading expenditure	580	553
Investment management costs	373	269
Total expenditure on raising funds	<u>2,265</u>	<u>2,046</u>
Total expenditure	<u>16,937</u>	<u>11,671</u>

The 2018 resources expended of £11,671k represented £9,344k from unrestricted funds, £2,080k from restricted funds and £247k from endowed funds.

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £7k (2018 - £0k).

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2019 Total £'000
Financial administration	326	345	671
Domestic administration	97	142	239
Human resources	-	39	39
IT	25	240	265
Depreciation	188	872	1,060
Bank interest payable	-	863	863
Other finance charges	(24)	3,618	3,594
Investment management costs	396		396
Governance costs	2	29	31
	1,010	6,148	7,158

	Generating Funds £'000	Teaching and Research £'000	2018 Total £'000
Financial administration	300	346	646
Domestic administration	88	130	218
Human resources	-	23	23
IT	22	294	316
Depreciation	198	916	1,114
Bank interest payable	-	530	530
Other finance charges	(2)	94	92
Investment management costs	271	-	271
Governance costs	2	27	29
	879	2,360	3,239

Financial and domestic administration, IT, human resources and governance costs are attributed according to the estimated staff time spent on each activity. Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets. Interest and other finance charges are attributed according to the purpose of the related financing.

Governance costs comprise:

	2019 £'000	2018 £'000
Auditor's remuneration - audit services	21	20
Auditor's remuneration - tax advisory services	10	8
Auditor's remuneration - other services	-	1
	31	29

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.

7 GRANTS AND AWARDS

	2019 £'000	2018 £'000
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During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:

Unrestricted funds

Grants to individuals:		
Scholarships, prizes and grants	200	72
Bursaries and hardship awards	87	93
Total unrestricted	287	165

Restricted funds

Grants to individuals:		
Scholarships, prizes and grants	416	406
Bursaries and hardship awards	1	2
Total restricted	417	408

Total grants and awards	704	573
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The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £145k (2018: £206k). Some of those students also received fee waivers amounting to £48k (2018: £47k).

The above costs are included within the charitable expenditure on Teaching and Research. Grants to other institutions comprise £nil

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

8 STAFF COSTS

	2019	2018
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	4,950	4,726
Social security costs	434	408
Pension costs:		
Defined benefit schemes	1,814	743
Other benefits	150	134
	7,348	6,011

	2019	2018
The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
Tuition and research	38	36
College residential	66	67
Fundraising	6	5
Support	20	19
Total	130	127

	2019	2018
The average number of employees of the College, excluding Trustees, on an actual basis was as follows.		
Tuition and research	62	60
College residential	76	76
Fundraising	7	6
Support	22	21
Total	167	163

The average number of employed College Trustees during the year was as follows.		
University Lecturers	25	24
CUF Lecturers	4	4
Other teaching and research	4	4
Other	7	8
Total	40	40

Redundancy payments are accounted for in the period in which the employee was informed of the decision. There were no redundancy payments in year (£2.6k in 2018).

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College 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) greater than £60K was nil.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

9 TANGIBLE FIXED ASSETS

Group	Assets Under Construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	237	39,211	2,236	2,105	43,789
Additions	732	701	46	33	1,512
Transfers	-	1,107	-	-	1,107
At end of year	969	41,019	2,282	2,138	46,408
Depreciation and impairment					
At start of year	-	9,700	899	1,792	12,391
Depreciation charge for the year	-	852	168	40	1,060
At end of year	-	10,552	1,067	1,832	13,451
Net book value					
At end of year	969	30,467	1,215	306	32,957
At start of year	237	29,511	1,337	313	31,398

The above includes:

The opening assets under construction figure relates to costs incurred in 2018 mainly in relation to the Library, which had been classified as freehold land and buildings.

College	Assets Under Construction £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	237	39,374	2,236	2,118	43,965
Additions	732	701	46	33	1,512
Transfers	-	1,107	-	-	1,107
At end of year	969	41,182	2,282	2,151	46,584
Depreciation and impairment					
At start of year	-	9,700	899	1,792	12,391
Charge for the year	-	852	168	40	1,060
At end of year	-	10,552	1,067	1,832	13,451
Net book value					
At end of year	969	30,630	1,215	319	33,133
At start of year	237	29,674	1,337	326	31,574

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

10 HERITAGE ASSETS

College and Group

The College does not hold any Heritage Assets at 31 July (2018 - Nil)

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

11 PROPERTY INVESTMENTS

Group	Commercial £'000	2019	2018
		Total £'000	Total £'000
Valuation at start of year	4,519	4,519	2,757
Additions and improvements at cost	-	-	775
Disposals	(1,107)	(1,107)	-
Revaluation gains/(losses) in the year	184	184	987
Valuation at end of year	3,596	3,596	4,519

College	Commercial £'000	2019	2018
		Total £'000	Total £'000
Valuation at start of year	4,519	4,519	2,757
Additions and improvements at cost	-	-	775
Disposals	(1,107)	(1,107)	-
Revaluation gains/(losses) in the year	184	184	987
Valuation at end of year	3,596	3,596	4,519

A formal valuation of the commercial and other properties was prepared by Craig Middleton MRICS of Cluttons as at 31 July 2016. An informal valuation as at 31 July 2019 has resulted in a valuation increase of £184k. One floor of Albion House, which was valued at £1,107m, has been reclassified as a tangible fixed asset at the year end. The floor will mainly be used for College purpose.

12 OTHER INVESTMENTS

All investments are held at fair value.

			2019	2018		
			£'000	£'000		
Group investments						
Valuation at start of year			60,302	57,891		
New money invested			25,749	730		
Amounts withdrawn			(661)	(123)		
Reinvested income			1,290	105		
Investment management fees			-	-		
Increase in value of investments			6,289	1,699		
Group investments at end of year			92,969	60,302		
Investment in subsidiaries			-	-		
College investments at end of year			92,969	60,302		
Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000
Equity investments	-	463	463	-	617	617
Global multi-asset funds	17,582	70,077	87,659	10,451	49,152	59,603
Fixed term deposits and cash	-	4,847	4,847	-	82	82
Investment debtor	-	-	-	-	-	-
Total group investments	17,582	75,387	92,969	10,451	49,851	60,302

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

13 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Pembroke College Conference and Events (PCCE), a company providing conference and other event services on the College premises, and 100% of the issued share capital in Pembroke College Enterprises Limited (PCEL), a company providing design and build construction services to the College. PCCE and PCEL both have their registered office at New Kings Court, Tollgate, Chandler's Ford, Eastleigh, Hampshire SO53 3LG. Their company registration numbers are PCCE - 7665202 and PCEL - 5174033.

The results and their assets and liabilities of the parent and subsidiaries at the year end were as follows.

	Parent College	Pembroke College Enterprises Limited	Pembroke College Conferences and Events
	£'000	£'000	£'000
Income	21,259	392	2,154
Expenditure	(16,937)	(389)	(1,301)
Donation to College under gift aid	-	(3)	(853)
Result for the year	4,322	-	-
Total assets	135,015	64	2,275
Total liabilities	(44,388)	(64)	(2,275)
Net funds at the end of year	90,627	-	-

During the year an amount of £1,306k (2018: £1,212k) was paid by the College to PCCE in respect of costs incurred by the College on behalf of the subsidiary including staff costs, catering costs and a share of other running costs and overheads. At the year end, a balance of £1,921k (2018: £1,063k) was owed by PCCE to Pembroke College. At the year end, a balance of £34k (2018: £-5k) was owed by PCEL to the College.

14 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 1 August 2010. The investment return to be applied as income is calculated as 3.5% (2018: 3.5%) of the average of the year-end values of the relevant investments in each of the last 3 years. The preserved (frozen) value of the invested endowment capital represents its open market value at 31 July 2002 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	23,386	-	23,386	-	23,386
Unapplied total return	-	18,660	18,660	-	18,660
Expendable endowment				16,431	16,431
Total Endowments	23,386	18,660	42,046	16,431	58,477
Movements in the reporting period:					
Gift of endowment funds	103	-	103	899	1,002
Investment return: total investment income	-	1,081	1,081	423	1,504
Investment return: realised and unrealised gains and losses	-	3,379	3,379	1,321	4,700
Less: Investment management costs	-	(187)	(187)	(74)	(261)
Other transfers	-	(302)	(302)	188	(114)
Total	103	3,971	4,074	2,757	6,831
Expendable endowments transferred to income	-	(1,510)	(1,510)	(590)	(2,100)
	-	(1,510)	(1,510)	(590)	(2,100)
Net movements in reporting period	103	2,461	2,564	2,167	4,731
At end of the reporting period:					
Gift component of the permanent endowment	23,489	-	23,489	-	23,489
Unapplied total return	-	21,121	21,121	-	21,121
Expendable endowment				18,598	18,598
Total Endowments	23,489	21,121	44,610	18,598	63,208

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

15 DEBTORS

	2019	2018	2019	2018
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	475	357	270	168
Amounts owed by College members	86	93	86	93
Amounts owed by Group undertakings	-	-	1,955	1,058
Loans repayable within one year	18	14	18	14
Prepayments and accrued income	839	1,313	313	730
Amounts falling due after more than one year:				
Loans	316	376	316	376
	1,734	2,153	2,958	2,439

16 CREDITORS: falling due within one year

	2019	2018	2019	2018
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	-	495	-	495
Trade creditors	204	250	193	248
Taxation and social security	160	124	160	125
Accruals and deferred income	1,238	1,273	868	666
Other creditors	78	69	77	67
	1,680	2,211	1,298	1,601

17 CREDITORS: falling due after more than one year

	2019	2018	2019	2018
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	40,000	12,496	40,000	12,496
Other creditors	107	162	107	162
	40,107	12,658	40,107	12,658

A key financial transaction for the year was the placement of a private bond totalling £40m. The bond has a fixed term of 45 years with a fixed coupon.

The College refinanced its existing higher cost fixed-rate bank debt of £13m with part of the placement funds. The additional funds, above the repayment, have created the capacity to invest in new graduate accommodation at Pembroke and also the ability to pursue strategic investment opportunities.

18 PROVISIONS FOR LIABILITIES AND CHARGES

The College has no provisions at 31 July (2018 - None)

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

19 ANALYSIS OF MOVEMENTS ON FUNDS
At 31st July 2019

	At 1 August 2018 £'000	Incoming resources £'000	Resources expended £'000	Transfers* £'000	Gains/ (losses) £'000	At 31 July 2019 £'000
Endowment Funds - Permanent						
General College Capital	9,681	249	(43)	(347)	777	10,317
Damon Wells Trust	2,862	74	(13)	(103)	230	3,050
Stanley Ho Trust	1,532	39	(7)	(55)	124	1,633
TEPCo Trust	1,390	36	(6)	(50)	111	1,481
Lee Trust	1,343	35	(6)	(48)	107	1,431
Tanaka Fund in Numerical Mathematics	1,328	34	(6)	(48)	107	1,415
Damon Wells Chaplaincy Trust	1,177	30	(5)	(42)	94	1,254
Oxford Stanion Fund	1,130	29	(5)	(338)	91	907
Shimizu Trust	1,033	27	(5)	(37)	83	1,101
Nuffield Fund	1,012	26	(5)	(36)	81	1,078
Aisbitt Fund	972	25	(4)	(35)	78	1,036
BTP Fund	928	24	(4)	(33)	74	989
Bandar Trust Fund	831	21	(4)	(30)	68	886
Saleh Trust Fund	828	21	(4)	(30)	67	882
Rokos Physics	807	21	(4)	(29)	65	860
Theology Fellowship	744	19	(3)	(27)	60	793
Rokos Economics	741	19	(3)	(27)	60	790
Blackstone-Heuston Trust	741	19	(3)	(26)	58	789
Leung Trust	697	18	(3)	(25)	56	743
Burt 1923 Scholarship Fund	676	17	(3)	(24)	54	720
Rhodes Pelczynski Fund	669	18	(3)	(24)	53	713
Eekelaar Law Fellowship Fund	649	20	(3)	(17)	52	701
Tanaka Fund in Biochemistry	642	99	(3)	(23)	52	767
Abraham Trust	600	15	(3)	(22)	48	638
Jose Gregorio Hernandez Award	560	14	(3)	(20)	45	596
Abraham O'Brien Trust	485	13	(1)	(17)	38	518
Other funds < £500k relating to:						
Buildings	300	12	(1)	(11)	24	324
Bursaries	653	29	(3)	(34)	53	698
Fellowships	2,866	74	(13)	(103)	232	3,056
General purposes	2,016	52	(9)	(72)	162	2,149
Lecture	216	6	(1)	(8)	17	230
Library	12	-	-	-	1	13
Pensions	424	11	(2)	(15)	33	451
Scholarships, prizes & grants	1,502	39	(7)	(54)	121	1,601
Endowment Funds - Expendable						
Expendable Capital Fund	16,430	1,321	(73)	(404)	1,324	18,598
Total Endowment Funds - College	58,477	2,506	(261)	(2,214)	4,700	63,208
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	58,477	2,506	(261)	(2,214)	4,700	63,208
Restricted Funds						
Funds < £500k relating to:						
Buildings	459	97	(6)	40	-	590
Fellowships	1,595	663	(1,019)	787	-	2,026
Scholarships, prizes & grants	683	317	(313)	134	-	821
Research centres	572	1,041	(1,136)	-	-	477
Other funds	1,092	334	(411)	256	-	1,271
Total Restricted Funds - College	4,401	2,452	(2,885)	1,217	-	5,185
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	4,401	2,452	(2,885)	1,217	-	5,185

Pembroke College
Notes to the financial statements
For the year ended 31 July 2019

Unrestricted Funds

Designated funds:						
Fellowships (Physics & Theology)	971	25	(5)	-	-	991
Pensions	45	1	(0)	-	-	46
Scholarships, prizes & grants	124	3	(1)	-	-	126
Other	293	8	(1)	-	-	300
Total designated funds	1,433	37	(7)	-	-	1,463
General funds	23,917	9,791	(12,722)	997	1,773	23,756
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(1,921)	-	(1,062)	-	-	(2,983)
Total Unrestricted Funds - College	23,429	9,828	(13,791)	997	1,773	22,236
Unrestricted funds held by subsidiaries	(176)	-	-	-	-	(176)
Total Unrestricted Funds - Group	23,253	9,828	(13,791)	997	1,773	22,060
Total Funds	86,131	14,786	(16,937)	-	6,473	90,453

*Transfers included £877k and £1,223k released to unrestricted and restricted funds respectively in accordance with the College's total return policy. An additional transfer was also released this year to fund the renovation of the boathouse.

ANALYSIS OF MOVEMENTS ON FUNDS

At 31st July 2018	At 1 August 2017	Incoming resources	Resources expended	Transfers	Gains/ (losses)	At 31 July 2018
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds - Permanent						
General College Capital	9,151	321	(48)	(321)	578	9,681
Damon Wells Trust	2,707	92	(12)	(96)	171	2,862
Stanley Ho Trust	1,449	49	(6)	(51)	91	1,532
TEPCo Trust	1,315	45	(6)	(47)	83	1,390
Lee Trust	1,270	43	(6)	(44)	80	1,343
Tanaka Fund in Numerical Mathematics	1,256	43	(5)	(45)	79	1,328
Damon Wells Chaplaincy Trust	1,114	38	(5)	(40)	70	1,177
Oxford Stanion Fund	1,069	36	(5)	(37)	67	1,130
Shimizu Trust	977	33	(4)	(35)	62	1,033
Nuffield Fund	957	33	(4)	(34)	60	1,012
Aisbitt Fund	920	31	(4)	(33)	58	972
BTP Fund	878	30	(4)	(31)	55	928
Bandar Trust Fund	786	27	(3)	(29)	50	831
Saleh Trust Fund	784	27	(3)	(29)	49	828
Rokos Physics	763	26	(3)	(27)	48	807
Rokos Economics	700	24	(3)	(24)	44	741
Theology Fellowship	703	24	(3)	(24)	44	744
Blackstone-Heuston Trust	701	24	(3)	(25)	44	741
Leung Trust	659	22	(3)	(22)	41	697
Burt 1923 Scholarship Fund	639	22	(3)	(22)	40	676
Rhodes Pelczynski Fund	633	22	(3)	(23)	40	669
Eekelaar Law Fellowship Fund	611	24	(3)	(21)	38	649
Abraham Trust	567	19	(2)	(20)	36	600
Tanaka Fund in Biochemistry	537	92	(2)	(19)	34	642
Jose Gregorio Hernandez Award	530	18	(2)	(19)	33	560
Other funds < £500k relating to:						
Access	126	4	(1)	(137)	8	0
Buildings	276	9	(1)	(1)	17	300
Bursaries	791	29	(3)	(214)	50	653
Fellowships	3,170	109	(14)	(113)	200	3,352
General purposes	1,906	66	(8)	(68)	120	2,016
Lecture	205	7	(2)	(7)	13	216
Library	12	-	-	-	-	12
Pensions	401	14	(2)	(14)	25	424
Scholarships, prizes & grants	1,421	48	(6)	(50)	89	1,502
Endowment Funds - Expendable						
Expendable Capital Fund	14,992	772	(65)	(213)	944	16,430
Total Endowment Funds - College	54,975	2,223	(247)	(1,935)	3,461	58,477
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	54,975	2,223	(247)	(1,935)	3,461	58,477

Pembroke College
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Restricted Funds

Funds < £500k relating to:

Buildings	412	17	(5)	35	-	459
Fellowships	1,779	519	(1,044)	341	-	1,595
Scholarships, prizes & grants	511	408	(402)	166	-	683
Research centres	474	427	(329)	-	-	572
Other funds	928	235	(300)	229	-	1,092

Total Restricted Funds - College	4,104	1,606	(2,080)	771	-	4,401
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Restricted funds held by subsidiaries	-	-	-	-	-	-
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Total Restricted Funds - Group	4,104	1,606	(2,080)	771	-	4,401
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Unrestricted Funds

Designated funds:

Fellowships (Physics & Theology)	945	31	(4)	-	-	971
Pensions	58	-	-	(12)	-	45
Scholarships, prizes & grants	120	5	(1)	-	-	124
Other	49	244	-	-	-	293

Total designated funds	1,172	280	(5)	(12)	-	1,433
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General funds	23,382	8,602	(9,245)	1,176	-	23,917
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(1,827)	-	(94)	-	-	(1,921)

Total Unrestricted Funds - College	22,727	8,882	(9,344)	1,164	-	23,429
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Unrestricted funds held by subsidiaries	(176)	-	-	-	-	(176)
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Total Unrestricted Funds - Group	22,551	8,882	(9,344)	1,164	-	23,253
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Total Funds	81,630	12,711	(11,671)	-	3,461	86,131
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20 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

General College Capital	General Permanent Endowment
Damon Wells Trust	Supports a Fellowship in History
Stanley Ho Trust	Supports a Fellowship in Chinese History
TEPCo Trust	Supports a Fellowship in Japanese
Lee Trust	Supports a Fellowship in Engineering
Tanaka Fund in Numerical Mathematics	Supports a Fellowship in Numerical Mathematics
Damon Wells Chaplaincy Trust	Supports the Chaplaincy
Oxford Stanion Fund	Supports a Graduate Scholarship in Biochemistry
Shimizu Trust	Supports the teaching of science
Nuffield Fund	Supports general expenditure
Aisbitt Fund	Supports a Fellowship in English Literature
BTP Fund	Supports a Fellowships in Chemistry
Bandar Trust Fund	Supports the maintenance of College buildings
Saleh Trust Fund	Supports a Fellowship in Arabic
Rokos Physics Fund	Supports a Fellowship in Physics
Theology Fellowship	Supports a Fellowship in Theology
Rokos Economics Fund	Supports a Fellowship in Economics
Blackstone-Heuston Trust	Supports a Fellowship in Law
Leung Trust	Supports a Fellowship in Law
Burt 1923 Scholarship Fund	Supports hardship and general expenditure
Rhodes Pelczynski Fund	Supports a Fellowship in Politics
Eekelaar Law Fellowship Fund	Supports a Fellowship in Law
Tanaka Fund in Biochemistry	Supports a Fellowship in Biochemistry
Abraham Trust	Supports a Fellowship in Zoology
Jose Gregorio Hernandez Award	Advance the education of graduates of Venezuelan nationality
Abraham O'Brien Trust	Supports a Fellowship in Medicine

Endowment Funds - Expendable:

General College Capital	General Expendable Endowment
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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.

Pembroke College
Notes to the financial statements
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21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2019 Total £'000
Tangible fixed assets	32,957	-	-	32,957
Property investments	-	-	3,596	3,596
Other investments	28,172	5,185	59,612	92,969
Net current assets and other long term liabilities	931	-	-	931
Long term loan finance	(40,000)	-	-	(40,000)
	22,060	5,185	63,208	90,453
	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	31,398	-	-	31,398
Property investments	-	-	4,519	4,519
Other investments	1,943	4,401	53,958	60,302
Net current assets and other long term liabilities	2,903	-	-	2,903
Long term loan finance	(12,991)	-	-	(12,991)
	23,253	4,401	58,477	86,131

22 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic services they provide to the College.

Trustees of the college fall into the following categories:

Head of House
 Professorial Fellow
 Official Fellow
 Fellow by Special Election
 Research Fellow

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. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

All Official Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out in pg 3-6 of the section, Governing Body, Officers and Advisers.

Pembroke College
Notes to the financial statements
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Remuneration paid to trustees

Range	2019		2018	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000	-	-	1	1,049
£4,001-£5,000	-	-	1	4,678
£7,001-£8,000	-	-	1	7,672
£10,001-£11,000	1	10,280	-	-
£11,001-£12,000	-	-	1	11,896
£12,001-£13,000	1	12,175	-	-
£14,001-£15,000	-	-	1	14,903
£15,001-£16,000	1	15,523	-	-
£19,001-£20,000	-	-	2	39,183
£20,001-£21,000	1	20,131	-	-
£21,001-£22,000	1	21,935	7	153,933
£22,001-£23,000	9	202,720	2	44,700
£23,001-£24,000	4	95,087	7	165,221
£24,001-£25,000	8	194,745	2	48,381
£25,001-£26,000	-	-	1	25,821
£26,001-£27,000	1	26,463	-	-
£27,001-£28,000	1	27,762	2	54,611
£28,001-£29,000	-	-	2	57,458
£29,001-£30,000	-	-	1	29,514
£40,001-£41,000	1	40,482	1	40,626
£46,001-£47,000	-	-	1	46,050
£47,001-£48,000	-	-	1	47,816
£48,001-£49,000	1	48,046	-	-
£54,001-£55,000	-	-	2	109,066
£55,001-£56,000	1	55,713	1	55,439
£56,001-£57,000	-	-	1	56,138
£57,001-£58,000	1	57,493	-	-
£58,001-£59,000	1	58,720	1	58,318
£59,001-£60,000	1	59,717	-	-
£83,001-£84,000	-	-	2	167,191
£85,001-£86,000	2	171,197	-	-
£86,001-£87,000	-	-	1	86,066
£90,001-£91,000	1	90,369	-	-
£92,001-£93,000	-	-	1	92,288
£93,001-£94,000	1	93,225	-	-
£94,001-£95,000	1	94,522	-	-
£100,001-£101,000	1	100,457	-	-
£106,001-£107,000	-	-	1	106,181
£117,001-£118,000	1	117,906	-	-
Total	41	1,614,668	44	1,524,199

12 trustees are not employees of the College and do not receive remuneration.
All trustees may eat at common table, as can all other employees who are entitled to meals while working.

Other transactions with trustees

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £32 (2018 - £21) was reimbursed to two (2018 - one) of the Trustees.
See also note 30 Related Party Transactions.

Key management remuneration

The total remuneration paid to key management was £552k (2018: £491k).
Key management are considered to be the College Officers as set out in the Report of the Governing Body.

23 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme on behalf its fellows and staff.

As explained in the accounting policies, due to insufficient information being available to enable the College to use defined benefit accounting for these schemes, in accordance with the provisions of FRS 102 both schemes are accounted for as if they were defined contribution schemes.

Both schemes have put in place agreements for additional contributions to fund their past service deficits and the College has recognised a liability for the present value of the future contributions that it estimates will be payable as a result of these deficit funding agreements as explained below.

Universities Superannuation Scheme

The pension charge for the year in the Statement of Financial Activities includes £1,415k (2018 - £322k) in relation to the USS. This represents normal contributions of £365k (2018 - £339k) payable to the USS together with the cost of the increase in the deficit funding liability between the opening and closing balance sheet dates of £1,049k (2018 - £(16)k).

Following changes to the USS, this scheme now comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement.

The latest triennial actuarial valuation of the USS defined benefit liabilities was carried out as at 31 March 2017 to meet the requirements of the Pensions Act 2004 and was published in January 2019. This actuarial valuation showed a shortfall of £7.5bn in the USS with the scheme assets being sufficient to cover 89% of its 'technical provisions' liabilities.

Over the course of 2018 the USS stakeholders on the Joint Negotiating Committee (JUK and UCU) appointed a panel to review this 2017 valuation and this resulted in a number of recommendations being made. However, as the statutory deadline for completing the 2017 valuation had already passed by this point, it was concluded that the most appropriate way for the Trustee to address such fundamental recommendations properly was to embark on a new valuation as at 31 March 2018. This further actuarial valuation has now been completed and on 13 September 2019 the contribution rates required of members and employers under the 2018 valuation were confirmed.

Following the 2017 valuation the actuary determined that the USS funding rates should increase from a total of 26% of salaries (employer 18%, employee 8%) to 28.3% of salaries (employer 19.5%, employee 8.8%) from 1 April 2019 with further proposed increases at 1 October 2019 and again at 1 April 2020. Although the initial increases were implemented, the further increases have been replaced by amended contribution rates based on the 2018 valuation.

The overall contribution rate from 1 October 2019 required to fund the current benefit arrangements will now be 30.7% of salaries from 1 October 2019 until 30 September 2021 (employer 21.1%, employee 9.6%) and 34.7% from 1 October 2021 (employer 23.7%, employee 11%) (subject to a 2020 valuation).

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has also been agreed which amends the deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan includes in the contributions above deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

The College has used a financial modeller to estimate the expected future deficit funding contributions payable and the present value of this amount is recognised as a liability in the balance sheet. Changes in the estimated amount of this deficit funding liability each year are shown on the Statement of Financial Activities. For the year ended 31 July 2019 the College's provision for the USS deficit funding liability was £1,579k (2018 - £529k). No adjustment has been made to reflect the revised deficit recovery plan agreed after the year end. With the revised discount rate relevant to the length of the recovery plan of 1.30% and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised consolidated provision of £917k, a decrease of £661k from the current consolidated year end provision and a reduction in the charge to the Consolidated Statement of Financial Activities of £661k.

Further details on the Actuarial Valuations of the USS can be found on the USS website <https://www.uss.co.uk/how-uss-is-run/2018-valuation/2018-valuation-updates/13-september-2019>

Oxford Staff Pension Scheme

The pension charge for the year includes £479k (2018 - £556k) in relation to the OSPS. This represents contributions of £467k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £12k.

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2016 to meet the requirements of the Pensions Act 2004 and was published in April 2017. This valuation showed the scheme assets as £527.8m, being sufficient to cover 80% of its liabilities of £660.7m on a technical provisions basis with an overall shortfall of £132.9m. The latest actuarial update at 31 March 2018 shows an increase in this shortfall to £191.8m which represents a funding level of 78%, although a subsequent informal update at the end of August 2018 showed that the funding level was estimated to be comfortably above 80%.

Based on the 2016 valuation, the University completed a consultation with active members of the scheme regarding the benefits payable from the scheme in future. Following this a number of changes were made including from 1 April 2017 changing the basis used for indexation under the scheme, from 1 October 2017 closing the defined benefits scheme to new entrants and from 1 April 2018 changing the benefits structure from benefits being linked to salary at retirement to being calculated on a career average basis and increasing the rates of member contribution (for the standard cost plan from 6.6% to 8%). Reflecting the above changes from 1 April 2018 the net cost to the employers of future benefits reduced from 22.1% to 17.3% of pensionable salaries.

The trustee and University have agreed a recovery plan under which the employers are paying 19% from August 2017 for both defined benefits members and defined contributions members who join on or after 1 October 2017. Part of the contributions for defined contribution members is 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. In addition, the employers will continue to reimburse the scheme in respect of Pension Protection Fund (PPF) and other levies collected by the Pensions Regulator. These contributions, together with an allowance for the Scheme's assets to return 2.5% per annum above gilt yields, are expected to eliminate the technical provision deficit by 30 June 2027.

A provision of £1,404k has been included in the financial statements as at 31 July 2019 (2018 - £1,392k) for the present value of the estimated future deficit funding element of the contributions payable under this recovery plan agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website <https://www.admin.ox.ac.uk/finance/epp/pensions/schemes/osps/publications/>

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24 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. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

25 FINANCIAL INSTRUMENTS

The College does not hold any financial instruments as at 31 July (2018 - None)

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

	2019	2018
	Group	Group
	£'000	£'000
Net income/(expenditure)	4,322	4,501
Elimination of non-operating cash flows:		
Investment income	(2,353)	(2,097)
(Gains) in investments	(6,473)	(3,461)
Endowment donations	(1,002)	(340)
Depreciation	1,060	1,114
(Increase) in stock	(10)	(13)
Decrease in debtors	419	255
(Decrease)/Increase in creditors	(91)	422
Increase in pension scheme liability	1,062	94
Net cash provided by (used in) operating activities	<u>(3,066)</u>	<u>475</u>

27 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£'000	£'000
Cash at bank and in hand	3,745	2,835
Total cash and cash equivalents	<u>3,745</u>	<u>2,835</u>

28 FINANCIAL COMMITMENTS

The College does not have any annual commitments under non-cancellable operating leases (2018 - Nil)

29 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £108k (2018 - £0k).

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30 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 these financial statements.

Loans to trustees are available under two schemes:

- 1) Loans up to £200,000 to assist with the purchase of a principal residence or significant extension and are interest free and repayable within 8 years of inception or when the trustee leaves the College, if earlier. These loans are made to assist recruitment and retention. The need for such a loan must be demonstrated to a committee comprising of the Bursar, the Director of Finance and a Fellow who is not remunerated by the College.
- 2) Loans of up to £10k are available to all Fellows and interest is charged at 5% p.a.. The loans are repayable when the trustee leaves the College.

	2019	2018
	No.	No.
Scheme 1	3	4
Scheme 2	1	1
	<u>4</u>	<u>5</u>

The Bursar is a director of OUEM (Oxford University Endowment Management) in which the College and Collegiate University has significant investments. Oxford University is the sole shareholder of OUEM.

The Academic Director is a Trustee of both the College and Pembroke College Oxford JCR Art Collection Fund. The College was reimbursed for invigilation payments of £1.6k made to students in year. There was nothing outstanding at year end.

31 CONTINGENT LIABILITIES

The College does not have any contingent liabilities at 31 July (2018 - Nil)

32 POST BALANCE SHEET EVENTS

USS Pension Valuation

The 2018 actuarial valuation was finalised after the year end which indicated a shortfall of £3.6 bn.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. As at 31 July 2019 with the revised discount rate relevant to the length of the scheme of 1.30% and assuming all other assumptions used to calculate the provision remain unchanged, this would have resulted in a revised consolidated provision of £917k, a decrease of £661k from the current consolidated year end provision and a lower face of the Consolidated Statement of Comprehensive Income of £661k.