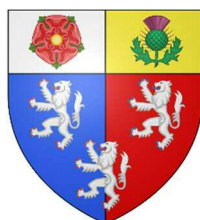


Pembroke College
Annual Report and Financial Statements
31st July 2020



PEMBROKE COLLEGE
Annual Report and Financial Statements

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PEMBROKE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2020

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 in their capacity as employees of the College.

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 (retired 30 June 2020)	•		•	•		
Sir Ernest Ryder	Master (appointed 1 July 2020)	•		•	•		
Professor Lynda Mugglestone							
Dr Tim Farrant				•			
Professor Jeremy Taylor							
Professor Stephen Whitefield							
Professor Owen Darbishire	Vicegerent	•		•			
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					•		
Professor Andre Furger				•			

PEMBROKE COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2020

		(1)	(2)	(3)	(4)	(5)	(6)
Professor Guido Bonsaver							
Professor Jonathan Rees							•
Professor Rebecca Williams							
Professor Linda Flores						•	
Professor Irene Tracey	Resigned 30 Sep 2019						
Revd Dr Andrew Teal	Chaplain					•	
Dr Brian A'Hearn		•					
Dr Eamonn Molloy	Dean		•	•		•	
Professor Clive Siviour							
Mr Roger Boning	Resigned 30 June 2020						•
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		•					
Professor Anandi Mani							

PEMBROKE COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2020

		(1)	(2)	(3)	(4)	(5)	(6)
Ms Nancy Braithwaite	Academic Director	•		•	•	•	
Professor Pramila Krishnan		•					
Professor Nick Hawes				•			
Mr Stephen Gosztony	Advisory Fellow						
Mr Jeremy Bennett	Bursar (resigned 31 July 2020)	•	•		•		
Mrs Alice Gosling	Strategic Development Director	•			•		
Professor Roberto Salguero- Gomez					•		
Dr James Read				•			
Prof/Dr Ushashi Dasgupta	Joined 1 Sep 2019						
Prof Kevin Talbot	Appointed 1 Jan 2020						

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

Mr Peter Zakierski served as an external member of the Finance and Planning Committee until Easter 2020, and Mr Peter Robson and Mr Iain West from Easter 2020 onwards. Ms Lisha Patel, Mrs Beatrice Hollond, Mr Olivier Meyohas, Mr William Hooton and Mr Nick Millar (from 17 February 2020) 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 (retired 30 June 2020)	Master
Sir Ernest Ryder (appointed 1 July 2020)	Master
Professor Owen Darbishire	Vicegerent
Ms Nancy Braithwaite	Academic Director
Mr Jeremy Bennett (resigned 31 July 2020)	Bursar
Mr Mike Naworynsky	Home Bursar
Dr Eamonn Molloy	Dean
Mrs Alice Gosling	Strategic Development Director

PEMBROKE COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2020

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
55 Ludgate Hill
London
EC4M 7JW

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 2020

The Members of the Governing Body present their Annual Report for the year ended 31 July 2020 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 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. It meets nine times a year under the chairmanship of the Master and is advised by a range of committees including the Finance and Planning Committee, the Investment Committee, the Academic Committee, the Development Committee and the Welfare and Equality 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.

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 College Staff

The remuneration of members of the Governing Body is based on the advice of the Fellows' Remuneration Committee, none of the members of which is in receipt of remuneration from the College. Remuneration for individual Fellows is determined by factors relevant to the nature of their appointment, including University pay scales.

The remuneration of all college staff is set by the Staff Remuneration Committee.

Organisational management

The Governing Body is responsible for all the affairs of the College. It delegates the development of policies, oversight of their implementation and monitoring of key activities to five Committees which report regularly to the Governing Body :

- The Finance and Planning Committee develops and reviews future plans, budgets, performance against budget, forecasts and other relevant information.
 - 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 Development Committee develops and oversees policies and procedures relating to fundraising and alumni relations.
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PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2020

- The Welfare and Equality Committee develops and oversees the College's policies with regard to welfare, equality and diversity, and other related matters.
- The Investment Committee develops the investment policy and oversees the performance of the College's investment portfolio.

The day-to-day running of the College is delegated to the College Officers, listed on page 5. The College Officers refer all major issues to the relevant College committee or directly to the Governing Body.

Group structure and relationships

The College administers many special trusts and funds, as detailed in Notes 20 and 21 to the financial statements.

The College has two wholly owned non-charitable subsidiaries: Pembroke College Enterprises Limited, which undertakes the College's major building works, and Pembroke College Conferences and Events Limited, a company limited by guarantee, which lets College facilities when not required for its own educational purposes. The profits of both subsidiaries are donated to the College under the Gift Aid Scheme. 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. 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 heads of department 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 Academic Committee meets regularly to ensure that policies continue to be relevant to managing this risk, and continue to be implemented, where appropriate, in conjunction with the University, to that end. The Finance and Planning Committee gives a high priority to providing adequate financial resources to support the academic activities of the College. The overriding consideration of the Fellows' Committee and Fellows' Remuneration Committee is to ensure that the College recruits and retains academics of the highest calibre.
- To fund its plans for the future development, the College needs to continue to raise donations for capital projects. The Development Committee is responsible for maintaining relationships with alumni and for all fund-raising activity. A number of metrics, including financial targets, are in place to assess the College's progress in this regard and are regularly reviewed by the Committee.
- It remains essential for the College to maintain effective financial controls and robust financial planning. The Bursar has responsibility to ensure that systems are in place to achieve this. The annual audit reviews these systems for their adequacy and proper implementation and reports on their findings to the Governing Body.
- The College could be exposed to a major catastrophe, including a pandemic event, or security incident. The Home Bursar has responsibility to ensure that the College has robust plans in place at all times to respond to any incident that threatens the College community or its properties, and that the community is regularly made aware of them.

Covid-19

The College has continued to operate efficiently and effectively throughout the Covid-19 pandemic primarily as a result of its employment of key members of staff with sufficient management experience and expertise to be able to respond to the changing demands associated with the national response to the pandemic. The response has been similar, but not identical to that required in the event of a major catastrophe. Given this, as indicated above, the College has revised its risk register to include specifically exposure to a pandemic

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2020

event. On the basis of its experience during the year, the College is satisfied that this specific risk can be managed by means of delegated authority from the Governing Body to College Officers, in turn, to oversee activity managed by the Home Bursar with support from Heads of Department across the College.

- There are uncertainties relating to the UK's departure from the European Union that might affect the College's ability to attract non-UK students and academics, and the future of some research funding is unclear. The Governing Body continues to monitor the progress of the UK's withdrawal from the European Union.

The Governing Body, which has ultimate responsibility for managing risks faced by the College, has concluded that adequate systems are in place to manage these risks. It recognises that systems can only provide reasonable and 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.

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 2019/20 the College had 404 undergraduates (including 30 visiting students), 208 graduates, and 61 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.

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2020

During the academic year 2019/20, 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 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 2019/20, 60 scholarships and 41 exhibitions were awarded to undergraduates and 39 scholarships to graduates. In addition, a number of additional academic prizes are available to undergraduates and graduates at the College that are awarded on the basis of academic excellence. These scholarships, exhibitions and prizes serve further to encourage academic endeavour at the College. The College also provides travel grants to meet costs involved in undertaking research.

The Governing Body has considered the processes in place during the financial year ended 31 July 2020. It 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 2020, 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 2019/20 that 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 39%. On the same metric, 96% of undergraduates achieved First Class or Upper Second Class degrees. Combined with a number of prestigious University prizes across a wide range of subjects, this represents another outstanding 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 a number of 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. 42 of the State school offers made were to candidates identified as coming from educationally or socially disadvantaged backgrounds. Furthermore, 9 state school offers to UK nationals were to pupils from the North West, where the College access programme is most active.

On the non-academic side, the College continued its programme of planned maintenance, refurbishment and development. During the course of the year, the College replaced the ring main on the main site and refurbished four staircases, funding these necessary works from its own resources. In addition, in May 2020, it obtained planning permission for the redevelopment of part of the GAB Building to create an additional 77 student rooms and four flats for young academics. This major project will be funded primarily from part of the £40million loan taken out in 2019. The former, which was initially invested alongside the College's other funds, were liquidated during the year and, at the year end, was held in a money market fund. The balance of the cost will be funded from a combination of the College's own resources and fund-raising activity.

Further information about the College's achievements and performance over the past year can be obtained from the Pembroke Record, which is available directly from the College.

The Governing Body acknowledges with gratitude the professionalism and commitment of the academic and non-academic staff in responding to the consequences of the Covid pandemic.

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2020

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 review of the year needs to be considered by reference to the period prior to the national lockdown due to the Covid-19 pandemic in March and the period thereafter. Up until the lockdown, the College performed better than budgeted but this situation reversed thereafter, primarily as a result of the loss of residential income in Trinity term and conference income after the end of that term. Notwithstanding higher investment income attributable to the investment of the private placement funds raised in 2019 and the College participation in the UK government's Covid Job Retention Scheme, these losses resulted in total income for the year falling by £619,000.

Donations income during the year amounted to £2,978,000 (2019: £2,755,000). The College continues to be grateful to alumni and others without whose support it would not be possible to achieve the College's objectives. Total expenditure during the year fell by £4,220,000. The primary cause of this decline was due to exceptional items in both years. The items in 2018/19 included the costs of the arrangement of the private placement bond and the break costs of the existing loan and the increase in pension liability. In 2019/20, the pension liability fell by £715,000. Stripping out these exceptional items, the expenditure for the year increased by 1.5% from £13,236,000 to £13,432,000, increases in some costs being partially offset by savings in costs due to the lower activity levels after the lockdown.

The Consolidated Statement of Financial Activities shows net income before investment gains/losses of £1,450,000 (2019 net expenditure of £2,151,000). After investment losses of £4,809,000 during the year, overall net expenditure amounted to £3,359,000. As a result, the total Funds of the College and its subsidiaries fell in the year to £87,094,000 from £90,453,000 in 2019.

The College's liability in respect of both Oxford Staff Pension Scheme (OSPS) and the Universities Superannuation Scheme (USS) amounts to £2,268,000 (2019: £2,983,000) in total. As reported in Note 24 to the financial statements, the last valuations for both schemes disclosed deficits. The College monitors discussions regarding contributions carefully, particularly with regard to USS, and budgets conservatively with respect to the likely outcomes of these discussions.

Following a valuation undertaken during the year, the total declared value for insurance purposes of the College's real estate amounts to £195,000,000.

Going Concern

The Governing Body has assessed the College's ability to continue as a going concern. It has considered several factors in forming its conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts and cash flows to 31st July 2022, a consideration of key risks – including Covid-19 – that could impact the College and the latest available management information.

The financial consequences of the Covid pandemic, and primarily the loss of income during the last five months of the financial year, disrupted the improvement over recent years in the College's financial resilience. Having said this, the combination of a strong management team, diversification of income sources, tight expenditure control, good treasury management and the support of the entire College community have all contributed to the College's ability to continue fulfilling its charitable objectives. As the pandemic continues, the College regularly reviews forecasts and cash flows and is satisfied that it continues to have sufficient cash resources to fund its operations.

Having regard to the above, the Governing Body is satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short term financial obligations in the event of an unexpected revenue shortfall or increased cost.

Total funds of the College and its subsidiaries, including long-term investments, at the year-end amounted to £87,094,000 (2019: £90,453,000). Endowment funds equated to £58,870,000, of which £41,493,000 is permanent endowment and £17,377,000 is expendable endowment. In addition, total restricted funds amount to £7,275,000.

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2020

The College's unrestricted funds at the year-end amounted to £23,217,000. After deducting an amount of £19,461,000 for the book value of fixed assets less associated funding arrangements and the pension reserve of £2,268,000, the free reserves amount to £1,488,000. The Governing Body is satisfied that, including taking into account the ongoing pandemic, the College has sufficient liquidity at the year end, amounting in total to £32,026,000.

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 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 with the objective of maximising the 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 which reports directly to the Governing Body. At the year end, the College's long term investments, combining the securities and property investments, totalled £79,093,000. After outperforming the benchmarks return in the last five financial years, the annualised total investment return was -2.38% on the weighted average investment portfolio available over the year, compared to the College's strategic benchmark return of 5.12% (RPI + 3.5%). The under-performance is primarily attributable to the drop in markets following the lockdown due to the Covid 19 pandemic.

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 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.

Fund-raising

Pembroke College is committed to best practice in relation to all fundraising activities. The Strategic Development Director co-ordinates fundraising activities, and is subject to the scrutiny of the Development Committee and the Governing Body. Pembroke College is registered with the Fundraising Regulator. The College has protocols and procedures to ensure that all College fundraising is open, honest and respectful, and that it adheres to legal and fundraising guidelines, including in dealing with vulnerable individuals. The College does not engage any professional third parties to carry out fundraising activities on its behalf.

FUTURE PLANS

Whilst the Covid pandemic has impacted on day-to-day operations, the College has continued to operate in accordance with the framework set by its strategy for the period from 2017 and 2027 and made good progress on a number of fronts, both academically and otherwise, as is reflected elsewhere in this report. An interim review of the strategy is being undertaken during 2020/21 to assess the continuing relevance of the various objectives and, if appropriate, to update elements of the strategy.

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).

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:

Sir Ernest Ryder
Master

PEMBROKE COLLEGE

Auditor's Report

Year ended 31 July 2020

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 2020 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 2020 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.

PEMBROKE COLLEGE

Auditor's Report

Year ended 31 July 2020

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- the information given in the 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.

PEMBROKE COLLEGE

Auditor's Report

Year ended 31 July 2020

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 14.

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.

The Governing Body has assessed the College's ability to continue as a going concern. The Governing Body has considered several factors when forming its conclusion as to whether the use of the going concern basis is appropriate when preparing these financial statements, including a review of updated forecasts and cash flows to 31st July 2022, a consideration of key risks – including Covid-19 – that could impact on the College and the latest available management information. Having regard to the above, the Governing Body is satisfied that there are no material uncertainties around the decision to adopt the going concern basis of accounting in preparing these financial statements.

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 24.

The College includes an estimate of the useful economic life of its buildings. This is re-assessed 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.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2020

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.

d. Furlough Income

Government grants are recognised on the accruals basis, when there is reasonable assurance that the College will comply with the conditions attaching to the grant and the grant will be received. The grant in connection to the Job Retention Scheme, has been recognised in the period to which the underlying furloughed staff costs relate.

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.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2020

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.

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.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2020

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.

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 College participates in Universities Superannuation Scheme and the University of Oxford Staff Pension Scheme. These schemes are hybrid pension schemes, providing defined benefits based on salaries as well as benefits based on contributions.

The assets of the schemes are each held in a separate trustee-administered fund. Because of the mutual nature of the schemes, the assets applicable to the defined benefit membership are not attributed to individual Colleges and scheme-wide contribution rates are set. The College is therefore exposed to actuarial risks associated with other Universities' and Colleges' employees and is unable to identify its share of the underlying assets and liabilities of the defined benefit scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the College accounts for the schemes as if they were wholly defined contribution schemes and 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.

The College has entered into agreements for both schemes (the Recovery Plans) that determine how each employer within the schemes will fund the overall scheme deficits. A liability is recognised at each balance sheet date for the discounted value of the expected future contribution payments under these past service deficit funding agreements, with changes to these liabilities being recognised as an expense in the periods in which the changes occur.

Pembroke College
Consolidated Statement of Financial Activities
For the year ended 31 July 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 Total £'000	2019 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Teaching, research and residential	1	5,695	1,129	-	6,824	7,509
Other Trading Income	3	971	-	-	971	2,169
Donations and legacies	2	441	2,195	342	2,978	2,755
Investments						
Investment income	4	602	157	2,290	3,049	2,353
Total return allocated to income	15	949	1,356	(2,305)	-	-
Other income	5	345	-	-	345	-
Total income		9,003	4,837	327	14,167	14,786
EXPENDITURE ON:						
Charitable activities:						
Teaching, research and residential		7,993	2,830	-	10,823	14,672
Generating funds:						
Fundraising		537	-	-	537	588
Trading expenditure		831	-	-	831	1,301
Investment management costs		102	27	397	526	376
Total Expenditure	6	9,463	2,857	397	12,717	16,937
Net Income/(Expenditure) before gains		(460)	1,980	(70)	1,450	(2,151)
Net gains/(losses) on investments	12, 13	(674)	-	(4,135)	(4,809)	6,473
Net Income/(Expenditure)		(1,134)	1,980	(4,205)	(3,359)	4,322
Transfers between funds	20	23	110	(133)	-	-
Net movement in funds for the year		(1,111)	2,090	(4,338)	(3,359)	4,322
Fund balances brought forward	20	22,060	5,185	63,208	90,453	86,131
Funds carried forward	20	20,949	7,275	58,870	87,094	90,453

Prior year comparative SOFA Is shown in note 34

Pembroke College
Consolidated and College Balance Sheets
As at 31 July 2020

	Notes	2020 Group £'000	2019 Group £'000	2020 College £'000	2019 College £'000
FIXED ASSETS					
Tangible assets	10	33,679	32,957	33,855	33,133
Property investments	12	3,508	3,596	3,508	3,596
Other Investments	13	75,585	92,969	75,585	92,969
Total Fixed Assets		112,772	129,522	112,948	129,698
CURRENT ASSETS					
Stocks		224	222	223	222
Debtors	16	2,096	1,734	2,234	2,958
Investments		12,000	-	12,000	-
Cash at bank and in hand		4,480	3,745	3,888	2,137
Total Current Assets		18,800	5,701	18,345	5,317
LIABILITIES					
Creditors: Amounts falling due within one year	17	2,163	1,680	1,710	1,298
NET CURRENT ASSETS		16,637	4,021	16,635	4,019
TOTAL ASSETS LESS CURRENT LIABILITIES		129,409	133,543	129,583	133,717
CREDITORS: falling due after more than one year	18	40,047	40,107	40,047	40,107
NET ASSETS BEFORE PENSION ASSET OR LIABILITY		89,362	93,436	89,536	93,610
Defined benefit pension scheme liability	24	2,268	2,983	2,268	2,983
TOTAL NET ASSETS		87,094	90,453	87,268	90,627
FUNDS OF THE COLLEGE					
Endowment funds		58,870	63,208	58,870	63,208
Restricted funds		7,275	5,185	7,275	5,185
Unrestricted funds					
Designated funds		1,504	1,463	1,504	1,463
General funds		21,713	23,580	21,887	23,754
Pension reserve	24	(2,268)	(2,983)	(2,268)	(2,983)
		87,094	90,453	87,268	90,627

The financial statements were approved and authorised for issue by the Governing Body of Pembroke College on 2 December 2020.

Master: Sir E. Ryder

Trustee: Professor O. Darbishire

Pembroke College
Consolidated Statement of Cash Flows
For the year ended 31 July 2020

	Notes	2020 £'000	2019 £'000
Net cash provided used in operating activities	27	<u>(1,416)</u>	<u>(3,066)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		3,049	2,353
Purchase of property, plant and equipment		(1,903)	(2,619)
Proceeds from sale of investments		13,000	478
Purchase of investments		(337)	(25,749)
Net (additions to) current asset investments		(12,000)	1,502
Net cash used in investing activities		<u>1,809</u>	<u>(24,035)</u>
Cash flows from financing activities			
Repayments of borrowing		-	(12,991)
Cash inflows from new borrowing		-	40,000
Receipt of endowment		342	1,002
Net cash provided used in financing activities		<u>342</u>	<u>28,011</u>
Change in cash and cash equivalents in the reporting period		<u>735</u>	<u>910</u>
Cash and cash equivalents at the beginning of the reporting period		3,745	2,835
Cash and cash equivalents at the end of the reporting period	28	<u>4,480</u>	<u>3,745</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

1 INCOME FROM CHARITABLE ACTIVITIES	2020	2019
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,559	1,676
Tuition fees - Overseas students	1,042	958
Other fees	609	546
Other Office for Students support	90	83
Other academic income	303	273
College residential income	2,092	2,889
	<u>5,695</u>	<u>6,425</u>
Restricted funds		
Other academic income	1,129	1,084
	<u>1,129</u>	<u>1,084</u>
Total Teaching, Research and Residential	<u>6,824</u>	<u>7,509</u>
Total income from charitable activities	<u>6,824</u>	<u>7,509</u>
The above analysis includes £2672k received from Oxford University from publicly accountable funds under the CFF Scheme (2019: £2,683k).		
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 £nil (2019: £1k). These are not included in the fee income reported above.		
2 DONATIONS AND LEGACIES	2020	2019
	£'000	£'000
Donations and Legacies		
Unrestricted funds	441	479
Restricted funds	2,195	1,274
Endowed funds	342	1,002
	<u>2,978</u>	<u>2,755</u>
3 INCOME FROM OTHER TRADING ACTIVITIES	2020	2019
	£'000	£'000
Subsidiary company trading income	961	2,166
Other trading income	10	3
	<u>971</u>	<u>2,169</u>
4 INVESTMENT INCOME	2020	2019
	£'000	£'000
<i>Unrestricted funds</i>		
Commercial rent	93	43
Equity dividends	488	676
Bank interest	20	36
Other interest	1	-
	<u>602</u>	<u>755</u>
<i>Restricted funds</i>		
Equity dividends	157	94
	<u>157</u>	<u>94</u>
<i>Endowed funds</i>		
Commercial rent	243	246
Other property income	-	0
Equity dividends	2,047	1,258
	<u>2,290</u>	<u>1,504</u>
Total Investment income	<u>3,049</u>	<u>2,353</u>
5 OTHER INCOME	2020	2019
	£'000	£'000
Coronavirus Job Retention Scheme grant income	345	0
	<u>345</u>	<u>-</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

6 ANALYSIS OF EXPENDITURE

	2020	2019
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	5,199	4,783
Other direct costs allocated to:		
Teaching, research and residential	3,212	3,741
Support and governance costs allocated to:		
Teaching, research and residential	2,412	6,148
Total charitable expenditure	<u>10,823</u>	<u>14,672</u>
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	355	332
Trading expenditure	242	373
Other direct costs allocated to:		
Fundraising	122	199
Trading expenditure	189	348
Investment management costs	4	3
Support and governance costs allocated to:		
Fundraising	60	57
Trading expenditure	400	580
Investment management costs	522	373
Total expenditure on raising funds	<u>1,894</u>	<u>2,265</u>
Total expenditure	<u>12,717</u>	<u>16,937</u>

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. No College contribution was payable in the financial year (2019 - £7k)

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

7 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2020 Total £'000
Financial administration	234	408	642
Domestic administration	70	185	255
Human resources	-	34	34
IT	19	259	278
Depreciation	135	1,046	1,181
Bank interest payable	-	1,164	1,164
Other finance charges	12	(715)	(703)
Investment management costs	510	-	510
Governance costs	2	31	33
	982	2,412	3,394

	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

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.

	2020 £'000	2019 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	21	21
Auditor's remuneration - tax advisory services	12	10
Auditor's remuneration - other services	-	-
	33	31

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.

8 GRANTS AND AWARDS

	2020 £'000	2019 £'000
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	94	200
Bursaries and hardship awards	86	87
Total unrestricted	180	287
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	429	416
Bursaries and hardship awards	1	1
Total restricted	430	417
Total grants and awards	610	704

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £179k (2019: £145k). Some of those students also received fee waivers amounting to £36k (2019: £48k).

The above costs are included within the charitable expenditure on Teaching and Research. No grants to other institutions were paid.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

9 STAFF COSTS

	2020	2019
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	5,116	4,950
Social security costs	459	434
Pension costs:		
Defined benefit schemes	170	1,814
Other benefits	139	150
	5,884	7,348

The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.

Tuition and research	37	38
College residential	67	66
Fundraising	6	6
Support	21	20
Total	131	130

The average number of employees of the College, excluding Trustees, on an actual basis was as follows.

Tuition and research	62	62
College residential	75	76
Fundraising	7	7
Support	22	22
Total	166	167

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

University Lecturers	25	25
CUF Lecturers	5	4
Other teaching and research	4	4
Other	7	7
Total	41	40

Redundancy payments are accounted for in the period in which the employee was informed of the decision. There was one redundancy payment in year of £1.6k (None in 2019).

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 2020

10 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	969	41,019	2,282	2,139	46,409
Additions	893	977	-	33	1,903
Transfers	(40)	40	-	-	0
At end of year	1,822	42,036	2,282	2,172	48,312
Depreciation and impairment					
At start of year	-	10,552	1,067	1,833	13,452
Depreciation charge for the year	-	929	171	81	1,181
At end of year	-	11,481	1,238	1,914	14,633
Net book value					
At end of year	1,822	30,555	1,044	258	33,679
At start of year	969	30,467	1,215	306	32,957

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	969	41,182	2,282	2,151	46,584
Additions	893	977	-	33	1,903
Transfers	(40)	40	-	-	0
At end of year	1,822	42,199	2,282	2,184	48,487
Depreciation and impairment					
At start of year	-	10,552	1,067	1,832	13,451
Charge for the year	-	929	171	81	1,181
At end of year	-	11,481	1,238	1,913	14,632
Net book value					
At end of year	1,822	30,718	1,044	271	33,855
At start of year	969	30,630	1,215	319	33,133

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.

11 HERITAGE ASSETS

College and Group

The College does not hold any heritage assets at 31 July 2020 (2019 - Nil)

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

12 PROPERTY INVESTMENTS

Group	Commercial £'000	2020	2019
		Total £'000	Total £'000
Valuation at start of year	3,595	3,595	4,519
Disposals	-	-	(1,107)
Revaluation gains/(losses) in the year	(87)	(87)	184
Valuation at end of year	3,508	3,508	3,596

College	Commercial £'000	2020	2019
		Total £'000	Total £'000
Valuation at start of year	3,595	3,595	4,519
Disposals	-	-	(1,107)
Revaluation gains/(losses) in the year	(87)	(87)	184
Valuation at end of year	3,508	3,508	3,596

A formal valuation of the commercial and other properties was prepared by Craig Middleton MRICS of Cluttons as at 28 January 2020.

13 OTHER INVESTMENTS

All investments are held at fair value.

			2020	2019		
			£'000	£'000		
Group investments						
Valuation at start of year			92,969	60,302		
New money invested			337	25,749		
Amounts withdrawn			(13,266)	(661)		
Reinvested income			266	1,290		
Investment management fees			-	-		
Increase/ (decrease) in value of investments			(4,722)	6,289		
Group investments at end of year			75,585	92,969		
Investment in subsidiaries			-	-		
College investments at end of year			75,585	92,969		
Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2020 Total £'000	Held outside the UK £'000	Held in the UK £'000	2019 Total £'000
Equity investments	-	423	423	-	463	463
Global multi-asset funds	8,463	63,342	71,805	17,582	70,077	87,659
Fixed term deposits and cash	-	3,357	3,357	-	4,847	4,847
Total group investments	8,463	67,122	75,585	17,582	75,387	92,969

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

14 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	9,358	836	947
Expenditure	(12,717)	(826)	(831)
Donation to College under gift aid	-	(10)	(116)
Result for the year	(3,359)	-	-
Total assets	131,293	229	517
Total liabilities	(44,025)	(229)	(517)
Net funds at the end of year	87,268	-	-

During the year an amount of £831k (2019: £1,306k) 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 £86k (2019: £1,921k) was owed by PCCE to Pembroke College. At the year end, a balance of £205k (2019: £34k) was owed by PCEL to the College.

Prior year comparative of this note is shown in note 34.

15 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% (2019: 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	23,489	-	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
Movements in the reporting period:					
Gift of endowment funds	92	-	92	250	342
Investment return: total investment income	-	1,616	1,616	674	2,290
Investment return: realised and unrealised gains and losses	-	(2,918)	(2,918)	(1,217)	(4,135)
Less: Investment management costs	-	(280)	(280)	(117)	(397)
Other transfers	-	(1)	(1)	(133)	(134)
Total	92	(1,583)	(1,491)	(543)	(2,034)
Expendable endowments transferred to income	-	(1,626)	(1,626)	(678)	(2,305)
	-	(1,626)	(1,626)	(678)	(2,305)
Net movements in reporting period	92	(3,209)	(3,117)	(1,221)	(4,338)
At end of the reporting period:					
Gift component of the permanent endowment	23,581	-	23,581	-	23,581
Unapplied total return	-	17,912	17,912	-	17,912
Expendable endowment	-	-	-	17,377	17,377
Total Endowments	23,581	17,912	41,493	17,377	58,870

Prior year comparative of this note is shown in note 34.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

16 DEBTORS

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	289	475	321	270
Amounts owed by College members	36	86	36	86
Amounts owed by Group undertakings	(2)	-	290	1,955
Loans repayable within one year	8	18	8	18
Prepayments and accrued income	1,309	839	1,123	313
Amounts falling due after more than one year:				
Loans	456	316	456	316
	<u>2,096</u>	<u>1,734</u>	<u>2,234</u>	<u>2,958</u>

17 CREDITORS: falling due within one year

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	430	204	427	193
Taxation and social security	140	160	140	160
Accruals and deferred income	1,471	1,238	1,021	868
Other creditors	122	78	122	77
	<u>2,163</u>	<u>1,680</u>	<u>1,710</u>	<u>1,298</u>

18 CREDITORS: falling due after more than one year

	2020	2019	2020	2019
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	40,000	40,000	40,000	40,000
Other creditors	47	107	47	107
	<u>40,047</u>	<u>40,107</u>	<u>40,047</u>	<u>40,107</u>

A placement of a private bond totalling £40m took place in January 2019. The bond has a fixed term of 45 years with a fixed coupon.

19 PROVISIONS FOR LIABILITIES AND CHARGES

The College has no provisions at 31 July 2020 (2019 - None)

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

20 ANALYSIS OF MOVEMENTS ON FUNDS
At 31st July 2020

	At 1 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers* £'000	Gains/ (losses) £'000	At 31 July 2020 £'000
Endowment Funds - Permanent						
General College Capital	10,317	374	(65)	(376)	(674)	9,576
Damon Wells Trust	3,050	111	(19)	(111)	(200)	2,831
Stanley Ho Trust	1,633	60	(10)	(60)	(107)	1,516
TEPCo Trust	1,481	55	(9)	(54)	(97)	1,376
Lee Trust	1,431	52	(9)	(52)	(94)	1,328
Tanaka Fund in Numerical Mathematics	1,415	51	(9)	(52)	(92)	1,313
Damon Wells Chaplaincy Trust	1,254	45	(8)	(46)	(82)	1,163
Shimizu Trust	1,101	40	(7)	(40)	(72)	1,022
Nuffield Fund	1,078	39	(7)	(39)	(70)	1,001
Aisbitt Fund	1,036	38	(7)	(38)	(68)	961
BTP Fund	989	36	(6)	(36)	(65)	918
Oxford Stanion Fund	907	33	(6)	(33)	(59)	842
Bandar Trust Fund	886	32	(6)	(32)	(57)	823
Saleh Trust Fund	882	32	(6)	(32)	(58)	818
Rokos Physics	860	31	(5)	(31)	(56)	799
Theology Fellowship	793	29	(5)	(29)	(52)	736
Rokos Economics	790	29	(5)	(29)	(52)	733
Blackstone-Heuston Trust	789	28	(5)	(29)	(51)	732
Tanaka Fund in Biochemistry	767	104	(5)	(28)	(50)	788
Leung Trust	743	27	(5)	(27)	(49)	689
Burt 1923 Scholarship Fund	720	26	(5)	(26)	(46)	669
Rhodes Pelczynski Fund	713	26	(4)	(26)	(47)	662
Eekelaar Law Fellowship Fund	701	31	(4)	(26)	(46)	656
Abraham Trust	638	23	(4)	(23)	(42)	592
Jose Gregorio Hernandez Award	596	22	(4)	(22)	(39)	553
Abraham O'Brien Trust	518	19	(3)	(19)	(34)	481
Other funds < £500k relating to:						
Buildings	324	15	(2)	(12)	(21)	304
Bursaries	698	27	(4)	(25)	(46)	650
Fellowships	3,056	111	(19)	(111)	(200)	2,837
General purposes	2,149	78	(13)	(79)	(141)	1,994
Lecture	230	8	(1)	(8)	(15)	214
Library	13	1	(0)	(1)	(1)	12
Pensions	451	17	(3)	(17)	(30)	418
Scholarships, prizes & grants	1,601	58	(10)	(58)	(105)	1,486
Endowment Funds - Expendable						
Expendable Capital Fund	18,598	924	(117)	(811)	(1,217)	17,377
Total Endowment Funds - College	63,208	2,632	(397)	(2,438)	(4,135)	58,870
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	63,208	2,632	(397)	(2,438)	(4,135)	58,870
Restricted Funds						
Library	9	1,294	(1)	-	-	1,302
Funds < £500k relating to:						
Buildings	581	26	(10)	44	-	641
Fellowships	2,026	554	(1,161)	860	-	2,279
Scholarships, prizes & grants	821	318	(383)	140	-	896
Research centres	477	1,057	(1,031)	-	-	503
Other funds	1,271	232	(271)	422	-	1,654
Total Restricted Funds - College	5,185	3,481	(2,857)	1,466	-	7,275
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	5,185	3,481	(2,857)	1,466	-	7,275

Pembroke College
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Unrestricted Funds

Designated funds:						
Theology Fellowship	496	18	(3)	-	-	511
Physics Fellowship	495	18	(3)	-	-	510
Pensions	46	1	(0)	-	-	47
Scholarships, prizes & grants	126	5	(3)	-	-	128
Other	300	11	(2)	-	-	308
Total designated funds	1,463	53	(11)	-	-	1,504
General funds	23,756	8,001	(10,167)	972	(674)	21,887
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(2,983)	-	715	-	-	(2,268)
Total Unrestricted Funds - College	22,236	8,054	(9,463)	972	(674)	21,123
Unrestricted funds held by subsidiaries	(174)	-	-	-	-	(174)
Total Unrestricted Funds - Group	22,060	8,054	(9,463)	972	(674)	20,949
Total Funds	90,453	14,167	(12,717)	-	(4,809)	87,094

*Transfers included £949k and £1,356k released to unrestricted and restricted funds respectively in accordance with the College's total return policy.

Prior year comparative of this note is shown in note 34

21 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
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
Oxford Stanion Fund	Supports a Graduate Scholarship in Biochemistry
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
Tanaka Fund in Biochemistry	Supports a Fellowship in Biochemistry
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
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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22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2020 Total £'000
Tangible fixed assets	33,679	-	-	33,679
Property investments	-	-	3,508	3,508
Other investments	12,948	7,275	55,362	75,585
Net current assets and other long term liabilities	14,323	(0)	-	14,322
Long term loan finance	(40,000)	-	-	(40,000)
	20,949	7,275	58,870	87,094

Prior year comparative of this note is shown in note 34.

23 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
 Advisory 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
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Remuneration paid to trustees

Range	2020		2019	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£9,001-£10,000	1	9,392	-	-
£10,001-£11,000	-	-	1	10,280
£12,001-£13,000	-	-	1	12,175
£13,001-£14,000	1	13,259	-	-
£15,001-£16,000	-	-	1	15,523
£16,001-£17,000	1	16,258	-	-
£20,001-£21,000	-	-	1	20,131
£21,001-£22,000	-	-	1	21,935
£22,001-£23,000	-	-	9	202,720
£23,001-£24,000	-	-	4	95,087
£24,001-£25,000	8	194,224	8	194,745
£25,001-£26,000	7	179,293	-	-
£26,001-£27,000	5	132,295	1	26,463
£27,001-£28,000	3	82,750	1	27,762
£28,001-£29,000	1	28,008	-	-
£29,001-£30,000	1	29,248	-	-
£40,001-£41,000	-	-	1	40,482
£43,001-£44,000	1	43,642	-	-
£48,001-£49,000	-	-	1	48,046
£50,001-£51,000	2	100,844	-	-
£55,001-£56,000	-	-	1	55,713
£57,001-£58,000	-	-	1	57,493
£58,001-£59,000	1	58,521	1	58,720
£59,001-£60,000	-	-	1	59,717
£60,001-£61,000	2	121,368	-	-
£62,001-£63,000	1	62,812	-	-
£85,001-£86,000	-	-	2	171,197
£87,001-£88,000	1	87,768	-	-
£89,001-£90,000	1	89,694	-	-
£90,001-£91,000	1	90,944	1	90,369
£93,001-£94,000	-	-	1	93,225
£94,001-£95,000	-	-	1	94,522
£97,001-£98,000	1	97,171	-	-
£100,001-£101,000	-	-	1	100,457
£101,001-£102,000	1	101,418	-	-
£103,001-£104,000	1	103,884	-	-
£110,001-£111,000	1	110,180	-	-
£117,001-£118,000	-	-	1	117,906
Total	42	1,752,973	41	1,614,668

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 £71 (2019 - £32) was reimbursed to one (2019 - two) of the Trustees.
See also note 31 Related Party Transactions.

Key management remuneration

The total remuneration paid to key management was £566k (2019: £552k).
Key management are considered to be the College Officers as set out in the Report of the Governing Body.

Pembroke College
Notes to the financial statements
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24 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.

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

Universities Superannuation Scheme

The USS comprises two parts, USS Retirement Income Builder which is a defined benefit arrangement and USS Investment Builder which is a defined contribution arrangement. However, as explained above, both parts are accounted for as if they were defined contribution arrangements.

The pension charge for the year in the Statement of Financial Activities includes £(213)k (2019 - £1,415k) in relation to the USS. This represents normal contributions of £426k (2019 - £365k) payable to the USS together with the change in the deficit funding liability between the opening and closing balance sheet dates of £(639)k (2019 - £1,049k).

Following the triennial actuarial valuation of the USS defined benefit liabilities carried out as at 31 March 2017, an additional valuation was prepared as at 31 March 2018 and published on 16 September 2019. This valuation showed a shortfall of £3.6bn in the USS with the scheme assets at £63.7bn being sufficient to cover 95% of its 'technical provisions' liabilities £67.3bn. Based on these valuations the actuary determined that the USS funding rates should increase as follows:

	Employer	Employee	Total
Prior to 31 March 2019	18.0%	8.0%	26.0%
1 April 2019 to 30 September 2019	19.5%	8.8%	28.3%
1 October 2019 to 30 September 2021	21.1%	9.6%	30.7%

A new deficit recovery plan was also agreed following the 2018 valuation and the contributions above include deficit funding payments of 2% of salaries from 1 October 2019 to 30 September 2021.

A further increase in the contribution rate to 34.7% from 1 October 2021 (employer 23.7%, employee 11%), including deficit funding payments of 6% of salaries, was also agreed although this will be subject to review following the 2020 actuarial valuation which is currently in progress.

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 2020 the College's provision for the USS deficit funding liability was £939k (2019 - £1,579k).

An interim actuarial report as at 31 March 2019 commissioned by the USS trustees showed an increased shortfall of £5.4bn in the USS with the scheme assets being sufficient to cover 93% of its 'technical provisions' liabilities. However, this report recognises that these figures are not as accurate as those that would arise from a full actuarial valuation and this report has not impacted on the current contribution rates. The next full actuarial valuation for the USS is being prepared as at 31 March 2020 and it is expected that the initial recommendations on overall future contribution rates will be notified to the Joint Negotiating Committee in December 2020.

Further details on the Actuarial Valuations of the USS can be found on the USS website. [<https://www.uss.co.uk/actuarial-valuation>]

Oxford Staff Pension Scheme

The pension charge for the year includes £432k (2019 - £479k) in relation to the OSPS. This represents contributions of £508k (2019 - £467k) payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £(75)k (2019 - £12k).

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2019 and was published in June 2020. This valuation showed the scheme assets as £735.3m, sufficient to cover 87% of its liabilities of £848.1m on a technical provisions basis with an overall shortfall of £112.8m.

Based on this valuation the trustee and University have agreed a recovery plan under which the employers will continue to pay contributions to the OSPS of 19% of pensionable salaries of 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 31 January 2028.

A provision of £1,329k has been included in the financial statements as at 31 July 2020 (2019 - £1,404k) 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://finance.admin.ox.ac.uk/osps-documents>]

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

25 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.

26 FINANCIAL INSTRUMENTS

The College does not hold any financial instruments as at 31 July 2020 (2019 - None)

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

	2020	2019
	Group	Group
	£'000	£'000
Net income/(expenditure)	(3,359)	4,322
Elimination of non-operating cash flows:		
Investment income	(3,049)	(2,353)
Losses/(Gains) in investments	4,809	(6,473)
Endowment donations	(342)	(1,002)
Depreciation	1,181	1,060
(Increase) in stock	(2)	(10)
(Increase)/Decrease in debtors	(362)	419
Increase/(Decrease) in creditors	423	(91)
(Decrease)/Increase in pension scheme liability	(715)	1,062
Net cash provided by (used in) operating activities	<u>(1,416)</u>	<u>(3,066)</u>

28 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
	£'000	£'000
Cash at bank and in hand	4,480	3,745
Total cash and cash equivalents	<u>4,480</u>	<u>3,745</u>

29 FINANCIAL COMMITMENTS

The College does not have any annual commitments under non-cancellable operating leases (2019 - Nil)

30 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2020 for future capital projects totalling £420k (2019 - £108k).

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

31 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.

	2020	2019
	No.	No.
Scheme 1	4	3
Scheme 2	1	1
	<u>5</u>	<u>4</u>

Jeremy Bennett, who left on 31st July 2020, was 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 £1.3k made to students in year. There was nothing outstanding at year end.

32 CONTINGENT LIABILITIES

The College does not have any contingent liabilities at 31 July (2019 - Nil)

33 POST BALANCE SHEET EVENTS

Following the end of the year, the College issued a letter of intent to E.W. Beard Limited with a maximum value of £400,000 with regard to the development of new graduate student accommodation, in advance of entering into a formal contract for the works.

In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes - reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general - but, based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn. The review is ongoing and the valuation is expected to be concluded in June 2021. The impact on the College's deficit is therefore unknown at the date of approval of these financial statements.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

34 PRIOR YEAR COMPARATIVES

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

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

PARENT AND SUBSIDIARY UNDERTAKINGS 2019 (Note 14)

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 £'000	Pembroke College Enterprises £'000	Pembroke College Conferences £'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.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2020

STATEMENT OF INVESTMENT TOTAL RETURN 2019 (Note 15)

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
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
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
Unapplied total return allocated to income in the reporting period	-	-	-	-	-
Expendable endowments transferred to income	-	-1,510	-1,510	-590	-2,100
	0	-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 2020

ANALYSIS OF MOVEMENTS ON FUNDS (Note 20)

At 31st July 2019	At 1 August 2018	Incoming resources	Resources expended	Transfers	Gains/ (losses)	At 31 July 2019
	£'000	£'000	£'000	£'000	£'000	£'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	639
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
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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	1,432	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)	0	6,473	90,453

ANALYSIS OF NET ASSETS BETWEEN FUNDS 2019 (Note 22)

	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