

Pembroke College
Annual Report and Financial Statements
31st July 2018



PEMBROKE COLLEGE
Annual Report and Financial Statements

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Report of the Governing Body
Year ended 31 July 2018

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 (ad hoc)
- (5) Welfare and Equality Committee

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

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

		(1)	(2)	(3)	(4)	(5)	(6)
Dame Lynne Brindley	Master	•		•	•		
Professor Lynda Mugglestone							
Professor Mark Fricker							
Professor Alex Kacelnik	Retired 30 Sep 2017						
Dr Tim Farrant							
Professor Jeremy Taylor							
Professor Stephen Whitefield	Vicegerent	•		•			
Professor Helen Small							
Professor Owen Darbishire		•					
Professor Adrian Gregory				•			
Professor Christopher Melchert							
Professor Raphael Hauser		•					
Professor Ben Davis				•			
Professor Stephen Tuck							
Professor Theo van Lint							
Mr John Church	Bursar, retired 31 st Mar 2018	•	•		•		
Professor Ariel Ezrachi					•		
Professor Andre Furger				•			

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Professor Guido Bonsaver							
Professor Jonathan Rees							•
Professor Rebecca Williams							
Professor Linda Flores							
Mr Andrew Seton	Strategic Development Director; retired 30 April 2018	•			•		
Professor Irene Tracey							
Revd Dr Andrew Teal	Chaplain					•	
Dr Brian A'Hearn							
Dr Eamonn Molloy			•	•		•	
Professor Clive Siviour	Dean					•	
Mr Roger Boning		•					•
Professor Nick Kruger							
Professor Nicolai Sinai				•			
Professor Hannah Smithson					•	•	
Professor Min Chen							
Professor Ingmar Posner			•				
Mrs Beatrice Hollond	Advisory Fellow		•				
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							

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Ms Nancy Braithwaite	Academic Director	•		•	•	•	
Professor Pramila Krishnan		•					
Professor Nick Hawes	Started 4 Sep 2017						
Mr Stephen Gosztony	Advisory Fellow , started 1 Sep 2017						
Mr Jeremy Bennett	Bursar, started 1 April 2018	•	•		•		
Mrs Alice Gosling	Strategic Development Director, started 17 April 2018	•			•		
		(1)	(2)	(3)	(4)	(5)	(6)

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

Ms Lisha Patel and Mr Olivier Meyohas served as external members of the Investment Committee.

COLLEGE OFFICERS

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

Dame Lynne Brindley	Master
Professor Stephen Whitefield	Vicegerent
Ms Nancy Braithwaite	Academic Director
Mr John Church/Mr Jeremy Bennett	Bursar
Mr Mike Naworynsky	Home Bursar
Mr Andrew Seton/Mrs Alice Gosling	Strategic Development Director
Professor Clive Siviour	Dean

COLLEGE ADVISERS

Investment managers

Sarasin & Partners LLP

Oxford University Endowment Management Ltd

Blackstone Alternative Asset Management L.P.

Hamilton Lane (UK) Ltd

Auditor

Crowe U.K. LLP

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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 2018

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

REFERENCE AND ADMINISTRATIVE INFORMATION

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

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

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

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Governing Body of the College comprises the Master and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Chancellor of the University of Oxford. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1624, and the Universities of Oxford and Cambridge Act 1923. The Governing Body is responsible for the strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Master and is advised by a range of committees which in 2017/18 includes the Finance and Planning Committee, the Academic Committee, the Development Committee, the Investment Committee and the Welfare and Equalities Committee.

The Governing Body takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Members of Governing Body have established a solid foundation in governance in which all of its trustees are clear about their roles and legal responsibilities, are committed to supporting the College to deliver its objects most effectively for its beneficiaries' benefit, and contribute to the College's continued improvement.

Overall the Governing Body meets a very significant proportion of the recommended and best practice for governance contained within the Charity Governance Code across the seven areas and are comfortable there are no significant areas of review required. Arrangements will continue to be monitored against the best practice principles contained within the Code.

Governing Body

The Governing Body determines the strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Master.

Recruitment and training of Members of the Governing Body

Members of the Governing Body have been informed about their responsibilities as Trustees and are able to attend trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

Remuneration of Members of the Governing Body and Senior College Staff

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

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The remuneration of college staff is set by the Staff Remuneration Committee by reference to the Oxford College Median.

Organisational management

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

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

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

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

Fundraising disclosure

All fundraising activities for the Pembroke College are carried out by College staff with assistance from alumni volunteers as regards with the running of specific fundraising events. In addition, we engage an external consultant to handle training and logistics and student callers the telethon. All fundraising activities are managed by the Strategic Development Director, who reports to the Master, and monitored by a dedicated committee of the Governing Body.

No complaints relating to fundraising activities have been received by the Pembroke during this financial period. However, the College has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the Bursar. Any continuing issues would then be passed to the Governing Body to determine what further action might be required.

Fundraising is only carried out internally and fundraising activities are not outsourced to professional fundraisers or commercial participators, aside from the telethon consultants who are carefully vetted. The charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practise. In particular, Pembroke considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property. The College has signed up to receiving suppressions under the Fundraising Preference Service.

Group structure and relationships

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

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

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The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

Risk Management

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

The following are the most important risks for the College:

- To retain and enhance the College's reputation for Academic excellence, it is critical to continue to attract undergraduate, graduate students and academic staff of the highest quality.
- The College could be exposed to a major catastrophe or security incident.
- The College depends on a number of sources of income which do not relate directly to Academic fees and domestic charges. These other sources of income include Conference income, Revenue Donations and Investment income. Although exposing the College to a broader range of risks, these serve to diversify the College's source of income making it less exposed to a few factors. The College is optimistic about the continued strong performance in these areas over the long-term.
- To fund its future plans for its development the College will need to continue to raise Capital Donations.
- It remains essential for the College to maintain effective financial controls and robust financial planning.
- The College has to comply with a range of contractual and regulatory requirements across the range of its activities.
- Post-Brexit there are uncertainties which might affect the College's ability to attract non-UK students and academics and the future of some research funding is unclear.
- No specific risks are assessed to be in the highly-likely category. The Bursars review of these risks confirmed that the mitigation measures in place are satisfactory.

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

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

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

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

In recent years the College has benefitted from a detailed approach to budgeting and medium to long term planning. During the year the College developed its next strategic plan for the period 2017-26. Most notable in this is the plan to increase Graduate Accommodation in the College.

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

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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 2017/18 the College had 401 undergraduates (including 31 visiting students), 280 graduates, 63 Tutorial and Research Fellows who had contractual obligations to teaching and to research, 66 teaching staff and 111 support staff.

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 most able to benefit 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.

During the academic year 2017/18, 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 Opportunity Bursaries, Oxford Bursaries and Moritz-Heyman 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 the most able 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 2017/18 there were 64 scholarships and 24 exhibitions awarded to undergraduates. 49 scholarships were awarded to graduates. A number of academic prizes are available to undergraduates and graduates at the College; awarded on the basis of academic excellence. These scholarships, exhibitions and prizes serve to encourage academic endeavour at the College. The College also provides travel grants to meet costs involved in undertaking research.

The Governing Body of Pembroke College has considered the processes in place during the financial year ended 31 July 2018 and is satisfied that, with regard to public and publicly accountable funds received from the University of Oxford (out of grants from the Office for Students (formerly known as HEFCE) and student fees) for the year ended 31 July 2018, 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 very pleasing to report that in 2017/18 more outstanding results were achieved by the College's students in their final exams. The rolling average of First Class degrees over a 3 year period is 37.4%. On the same metric over 94% of undergraduates achieve First Class or Upper Second Class degrees. 2018 has seen 13 distinctions out of 74 taught Graduates. Combined with a number of prestigious of University prizes across a wide range of subjects, this represents another good year for the College. At the same time, Pembroke students have been working to broaden their experiences and development alongside their studies, taking full advantage of the range of opportunities available to them, both within and external to the College, nationally and internationally. Thanks to the generosity of its donors, the College was also able to award some extraordinary internship and travel opportunities to its students.

Recognising that every effort must be made to attract the very best talent to the College, Pembroke continues to focus on its Outreach and Access activities. Through its Access Fellow, Pembroke is now widely acknowledged as a significant contributor to the OxNet Academic Access Programme, the results of which are now becoming encouraging. 43% of the State school offers made were to candidates with at least one flag of social, economic or educational deprivation. Furthermore 22% of state school offers to UK nationals were to pupils from the North West, where the College access program is most active.

On the domestic side, the College continued with its programme of regular refurbishments. Over the year extensive work in the Kitchen area was carried out combined with improvement of waste disposal arrangements.

The College continued to develop its conference business, the results of which were very satisfactory, and the pipeline for future business is encouraging. The College has been highly effective at developing ancillary sources of income and, in this context, it was pleasing to note that both conference income and revenue donations made a very significant contribution.

FINANCIAL REVIEW

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

The Consolidated Statement of Financial Activities shows net incoming resources of £1,040k (2017 - £1,748k). After adding investment gains of £3,461k (2017 - £4,706k) the net increase in funds for the year was £4,501k (2017 - £6,454k).

Total incoming resources decreased to £12,711k (2017 - £13,100k). This decrease of £(389)k was primarily due to donation income which decreased by £(631)k and investment income which decreased by £(119)k. Contra to this, conference income grew by £240k and teaching, research and residential income increased by £121k.

Total resources expended were £11,671k, an increase of £319k.

In the year, the College raised £1,024k as restricted donations. In addition, unrestricted donations amounted to £786k. A further £340k was donated to endowment funds

The Total Funds of the College and its subsidiaries rose in the year to £86,131k, from £81,630k in 2017.

Overall this represents a very satisfactory position as the College has continued to consolidate its financial and operational position. It is particular notable that these results occurred before the launch of what is expected to be a major new fund-raising campaign in the run up to our 400th year anniversary in 2024.

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

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2018

Reserves policy

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

Total funds of the College and its subsidiaries at the year-end amounted to £86,131k (2017: £81,630k). This includes endowment capital of £58,477k, of which £42,047k is permanent endowment and £16,430k is expendable endowment, and unspent restricted income funds totalling £4,401k. Free reserves at the year-end amounted to £4,846k (2017: £4,182k), representing retained unrestricted income reserves excluding an amount of £18,407k for the book value of tangible fixed assets less associated funding arrangements. The College is comfortable with the level of free reserves. The insured value of the College's assets is considerably in excess of £100,000,000.

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 as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return (see below).

The investment strategy, policy and performance are monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £64,821k. The overall total investment return was 8.7% over the year which compared to the College's strategic benchmark return of 6.7% (RPI + 3.5%).

The College acquired a new commercial real estate asset during the year in St Ebbes. This property has been let to tenants for 5 years. The College's existing Real Estate available for commercial letting is either fully let at considerable enhanced rental, or in the process of being let.

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

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

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

FUTURE PLANS

The strategic planning work undertaken by the Governing Body covers the period 2017-27 and will provide the framework for the way in which the College will continue to develop and support all of its members. This plan lays out further significant improvements to the College's facilities, including a new College Library and more accommodation for graduate students.

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 28 November 2018 and signed on its behalf by:

L. Brindley
Master

PEMBROKE COLLEGE

Auditor's Report

Year ended 31 July 2018

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 2018 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheet, 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 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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Auditor's Report

Year ended 31 July 2018

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 page 13, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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Auditor's Report

Year ended 31 July 2018

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.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2018

1. Scope of the financial statements

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

2. Basis of accounting

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

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

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

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

3. Accounting judgements and estimation uncertainty

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

The College calculates its liability for USS pension deficit based on the current agreed schedule of deficit contributions. Following the 2017 valuation of the scheme, it is expected that there may be significant changes to the contribution schedule in future. Consultations are ongoing and no formal agreement on future rates has been reached, so the College has concluded that the current schedule of deficit contributions is the correct basis for calculation of the liability as at 31 July 2018.

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

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

4. Income recognition

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

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

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

b. Income from donations, grants and legacies

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

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

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

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

c. Investment income

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

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

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

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

5. Expenditure

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

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

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

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

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
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.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2018

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 [except when deferred and initially credited or charged in 'other recognised gains and losses' as qualifying cash flow hedges].

14. Total return investment accounting

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

15. Fund accounting

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

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

Restricted funds comprise gifts, legacies and grants where the donor has specified that the funds are to be used for particular purposes of the College. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

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

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.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2018

16. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined benefit pension schemes are accounted for as if these were defined contribution schemes in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

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

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

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2018 Total £'000	2017 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
Teaching, research and residential	1	6,268	458	-	6,726	6,605
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
Other Trading Income	3	1,738	-	-	1,738	1,498
Donations and legacies	2	786	1,024	340	2,150	2,781
Investments						
Investment income	4	90	124	1,883	2,097	2,216
Total return allocated to income	14	819	1,130	(1,949)	-	-
Other income		-	-	-	-	-
Total income		9,701	2,736	274	12,711	13,100
EXPENDITURE ON:						
Charitable activities:						
Teaching, research and residential		7,566	2,059	-	9,625	9,186
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
Generating funds:						
Fundraising		542	5	-	547	538
Trading expenditure		1,228	-	-	1,228	1,191
Investment management costs		8	16	247	271	437
Total Expenditure		9,344	2,080	247	11,671	11,352
Net Income/(Expenditure) before gains		357	656	27	1,040	1,748
Net gains/(losses) on investments	11, 12	-	-	3,461	3,461	4,706
Net Income/(Expenditure)		357	656	3,488	4,501	6,454
Transfers between funds	19	345	(359)	14	-	-
Other recognised gains/losses						
Gains/(losses) on revaluation of fixed assets		-	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	-
Net movement in funds for the year		702	297	3,502	4,501	6,454
Fund balances brought forward	19	22,551	4,104	54,975	81,630	75,176
Funds carried forward at 31 July		23,253	4,401	58,477	86,131	81,630

Pembroke College
Consolidated and College Balance Sheets
As at 31 July 2018

	Notes	2018 Group £'000	2017 Group £'000	2018 College £'000	2017 College £'000
FIXED ASSETS					
Tangible assets	9	31,398	31,859	31,573	32,035
Heritage assets	10	-	-	-	-
Property investments	11	4,519	2,757	4,519	2,757
Other Investments	12	60,302	57,891	60,302	57,891
Total Fixed Assets		96,219	92,507	96,394	92,683
CURRENT ASSETS					
Stocks		212	199	212	199
Debtors	15	2,153	2,408	2,439	2,180
Investments		1,502	-	1,502	-
Cash at bank and in hand		2,835	3,285	1,938	2,994
Total Current Assets		6,702	5,892	6,091	5,373
LIABILITIES					
Creditors: Amounts falling due within one year	16	2,211	1,894	1,601	1,373
NET CURRENT ASSETS/(LIABILITIES)		4,491	3,998	4,490	4,000
TOTAL ASSETS LESS CURRENT LIABILITIES		100,710	96,505	100,884	96,683
CREDITORS: falling due after more than one year	17	12,658	13,048	12,658	13,048
Provisions for liabilities and charges	18	-	-	-	-
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		88,052	83,457	88,226	83,635
Defined benefit pension scheme liability	23	1,921	1,827	1,921	1,827
TOTAL NET ASSETS/(LIABILITIES)		86,131	81,630	86,305	81,808
FUNDS OF THE COLLEGE					
Endowment funds		58,477	54,975	58,477	54,975
Restricted funds		4,401	4,104	4,401	4,104
Unrestricted funds					
Designated funds		1,433	1,172	1,433	1,172
General funds		23,741	23,206	23,915	23,384
Revaluation reserve		-	-	-	-
Pension reserve	23	(1,921)	(1,827)	(1,921)	(1,827)
		86,131	81,630	86,305	81,808

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

Master: Dame L J Brindley

Bursar: Mr J Bennett

Pembroke College
Consolidated Statement of Cash Flows
For the year ended 31 July 2018

	Notes	2018 £'000	2017 £'000
Net cash provided by (used in) operating activities	26	<u>475</u>	<u>(1,184)</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,097	2,216
Transfer of fixed assets to investments		-	-
Purchase of property, plant and equipment		(653)	(177)
Proceeds from sale of investments		18	(2)
Purchase of investments		(730)	(1,390)
Net (additions to) current asset investments		<u>(1,502)</u>	<u>(1,390)</u>
Net cash provided by (used in) investing activities		<u>(770)</u>	<u>647</u>
Cash flows from financing activities			
Repayments of borrowing		(495)	(495)
Cash inflows from new borrowing		-	-
Receipt of endowment		340	1,373
Net cash provided by (used in) financing activities		<u>(155)</u>	<u>878</u>
Change in cash and cash equivalents in the reporting period		<u>(450)</u>	<u>341</u>
Cash and cash equivalents at the beginning of the reporting period		3,285	2,944
Change in cash and cash equivalents due to exchange rate movements		-	-
Cash and cash equivalents at the end of the reporting period	27	<u>2,835</u>	<u>3,285</u>

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

1 INCOME FROM CHARITABLE ACTIVITIES

	2018	2017
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,708	1,667
Tuition fees - Overseas students	734	737
Other fees	676	578
Other Office for Students support	84	82
Other academic income	324	256
College residential income	2,742	2,621
	6,268	5,941
Restricted funds		
Tuition fees - UK and EU students	-	-
Tuition fees - Overseas students	-	-
Other fees	-	-
Other Office for Students support	-	-
Other academic income	458	664
College residential income	-	-
	458	664
Endowed funds		
Tuition fees - UK and EU students	-	-
Tuition fees - Overseas students	-	-
Other fees	-	-
Other Office for Students support	-	-
Other academic income	-	-
College residential income	-	-
	-	-
Total Teaching, Research and Residential	6,726	6,605
Public worship		
Unrestricted funds		
Choir school fees	-	-
Other	-	-
	-	-
Restricted funds		
Choir school fees	-	-
Other	-	-
	-	-
Endowed funds		
Choir school fees	-	-
Other	-	-
	-	-
Total Public worship	-	-
Heritage		
Unrestricted funds		
Heritage Income	-	-
Other charitable income	-	-
	-	-
Restricted funds		
Heritage Income	-	-
Other charitable income	-	-
	-	-
Endowed funds		
Heritage Income	-	-
Other charitable income	-	-
	-	-
Total Heritage	-	-
Total income from charitable activities	6,726	6,605

The above analysis includes £2522k received from Oxford University from publicly accountable funds under the CFF Scheme (2017: £2477k).

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 £6k (2017: £18k). These are not included in the fee income reported above.

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

2 DONATIONS AND LEGACIES

	2018	2017
	£'000	£'000
Donations and Legacies		
Unrestricted funds	786	470
Restricted funds	1,024	938
Endowed funds	340	1,373
	2,150	2,781

3 INCOME FROM OTHER TRADING ACTIVITIES

	2018	2017
	£'000	£'000
Subsidiary company trading income	1,738	1,482
Other trading income	-	16
	1,738	1,498

4 INVESTMENT INCOME

	2018	2017
	£'000	£'000
<i>Unrestricted funds</i>		
Agricultural rent	-	-
Commercial rent	22	19
Other property income	-	-
Equity dividends	56	65
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	12	5
Other interest	-	-
	90	89

Restricted funds

Agricultural rent	-	-
Commercial rent	-	-
Other property income	-	-
Equity dividends	124	122
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	-	-
Other interest	-	-
	124	122

Endowed funds

Agricultural rent	-	-
Commercial rent	106	157
Other property income	32	-
Equity dividends	1,745	1,848
Income from fixed interest stocks	-	-
Interest on fixed term deposits and cash	-	-
Other investment income	-	-
Bank interest	-	-
Other interest	-	-
	1,883	2,005

Total Investment income

	2,097	2,216
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Pembroke College
Notes to the financial statements
For the year ended 31 July 2018

5 ANALYSIS OF EXPENDITURE	2018 £'000	<i>restated</i> 2017 £'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	4,508	4,153
Public worship	-	-
Heritage	-	-
Other direct costs allocated to:		
Teaching, research and residential	2,757	2,617
Public worship	-	-
Heritage	-	-
Support and governance costs allocated to:		
Teaching, research and residential	2,360	2,416
Public worship	-	-
Heritage	-	-
Total charitable expenditure	<u>9,625</u>	<u>9,186</u>
Expenditure on raising funds		
Direct staff costs allocated to:		
Fundraising	319	328
Trading expenditure	359	347
Investment management costs	-	-
Other direct costs allocated to:		
Fundraising	171	173
Trading expenditure	316	298
Investment management costs	2	4
Support and governance costs allocated to:		
Fundraising	57	37
Trading expenditure	553	546
Investment management costs	269	433
Total expenditure on raising funds	<u>2,046</u>	<u>2,166</u>
Total expenditure	<u>11,671</u>	<u>11,352</u>

The 2017 resources expended of £11352k represented £9241k from unrestricted funds, £1722k from restricted funds and £389k from endowed funds.

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

The teaching and research costs include College Contribution payable of £0k (2017 - £4k).

	2018 Total £'000	2017 Total £'000
Included within the resources expended above are:		
Impairment charges	-	-
Stock recognised as an expense in the year	-	-
Operating lease payments	-	-
Foreign exchange losses	-	-

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

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

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

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2017 Total £'000
Financial administration	251	339	-	-	590
Domestic administration	82	121	-	-	203
Human resources	-	22	-	-	22
IT	20	253	-	-	273
Depreciation	218	993	-	-	1,211
Loss/(profit) on fixed assets	-	-	-	-	-
Bank interest payable	-	547	-	-	547
Other finance charges	6	113	-	-	119
Investment management costs	437	-	-	-	437
Governance costs	2	29	-	-	31
	1,016	2,417	-	-	3,433

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.

	2018 £'000	2017 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	20	20
Auditor's remuneration - assurance services other than audit	-	-
Auditor's remuneration - tax advisory services	8	7
Auditor's remuneration - other services	1	1
Legal and other fees on constitutional matters	-	-
Other governance costs	-	3
	29	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.

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

7 GRANTS AND AWARDS	2018 £'000	2017 £'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	72	103
Bursaries and hardship awards	93	93
Grants to other institutions	-	-
Total unrestricted	165	196
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	406	249
Bursaries and hardship awards	2	5
Grants to other institutions	-	-
Total restricted	408	254
Total grants and awards	573	450

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £206k (2017: £224k). Some of those students also received fee waivers amounting to £47k (2017: £82k).

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

8 STAFF COSTS	2018 £'000	2017 £'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	4,726	4,380
Social security costs	408	382
Pension costs:		
Defined benefit schemes	743	766
Defined contribution schemes	0	0
Other benefits	134	130
	6,011	5,658
The average number of employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
	2018	2017
Tuition and research	36	33
College residential	67	65
Public worship	-	-
Heritage	-	-
Fundraising	5	5
Support	19	15
Total	127	118
The average number of employees of the College, excluding Trustees, on an actual basis was as follows.		
	2018	2017
Tuition and research	60	50
College residential	76	74
Public worship	-	-
Heritage	-	-
Fundraising	6	6
Support	21	17
Total	163	147

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

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

University Lecturers	24	25
CUF Lecturers	4	4
Other teaching and research	4	4
Other	8	8
Total	40	41

Redundancy payments are accounted for in the period in which the employee was informed of the decision. There was a cost of £2.6k for redundancy in the year which was fully paid by the year end. These costs were met through unrestricted funds.

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.

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

In defined benefits schemes	-	-
In defined contribution schemes	-	-

The College contributions to defined contribution pension schemes totalled

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

9 TANGIBLE FIXED ASSETS

Group	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	-	38,904	2,161	2,071	43,136
Additions	-	535	84	34	653
Transfers	-	-	-	-	-
At end of year	-	39,439	2,245	2,105	43,789
Depreciation and impairment					
At start of year	-	8,863	734	1,680	11,277
Depreciation charge for the year	-	837	165	112	1,114
Depreciation on disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At end of year	-	9,700	899	1,792	12,391
Net book value					
At end of year	-	29,739	1,346	313	31,398
At start of year	-	30,041	1,427	391	31,859

The above includes:

£0k (2017:£0k) of plant and machinery held under finance leases and £0k (2017:£0k) of fixtures, fittings and equipment held under finance leases.

The opening depreciation figure for plant and machinery has been allocated across both plant and machinery and fixtures, fittings and equipment.

College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	-	39,067	2,161	2,083	43,311
Additions	-	535	84	34	653
Disposals	-	-	-	-	-
At end of year	-	39,602	2,245	2,117	43,964
Depreciation and impairment					
At start of year	-	8,863	734	1,680	11,277
Charge for the year	-	837	165	112	1,114
On disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At end of year	-	9,700	899	1,792	12,391
Net book value					
At end of year	-	29,902	1,346	325	31,573
At start of year	-	30,204	1,427	403	32,035

The above includes:

£0k (2017:£0k) of plant and machinery held under finance leases.

£0k (2017:£0k) of fixtures and fittings held under finance leases.

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.

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

10 HERITAGE ASSETS

College and Group

	Total £'000
At start of year	-
Additions	-
Disposals	-
Impairment	-
Revaluation	-
At end of year	-

11 PROPERTY INVESTMENTS

Group

	Agricultural £'000	Commercial £'000	Other £'000	2018 Total £'000	2017 Total £'000
Valuation at start of year	-	2,757	-	2,757	2,640
Additions and improvements at cost	-	775	-	775	0
Disposals	-	-	-	-	0
Revaluation gains/(losses) in the year	-	987	-	987	117
Valuation at end of year	-	4,519	-	4,519	2,757

College

	Agricultural £'000	Commercial £'000	Other £'000	2018 Total £'000	2017 Total £'000
Valuation at start of year	-	2,757	-	2,757	2,640
Additions and improvements at cost	-	775	-	775	0
Disposals	-	-	-	-	0
Revaluation gains/(losses) in the year	-	987	-	987	117
Valuation at end of year	-	4,519	-	4,519	2,757

A formal valuation of the commercial and other properties was prepared by Craig Middleton MRICS of Cluttons as at 31 July 2016. An informal valuation as at 31 July 2018 has resulted in a valuation increase of £987k.

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

12 OTHER INVESTMENTS

All investments are held at fair value.

	2018	2017
	£'000	£'000
Group investments		
Valuation at start of year	57,891	51,910
New money invested	730	1,390
Amounts withdrawn	(123)	(69)
Reinvested income	105	71
Investment management fees	-	0
(Decrease)/increase in value of investments	1,699	4,589
Group investments at end of year	60,302	57,891
Investment in subsidiaries	-	-
College investments at end of year	60,302	57,891

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2018 Total £'000	Held outside the UK £'000	Held in the UK £'000	2017 Total £'000
Equity investments	-	617	617	0	690	690
Global multi-asset funds	10,451	49,152	59,603	8,168	47,513	55,681
Property funds	-	-	-	-	-	-
Fixed interest stocks	-	-	-	-	-	-
Alternative and other investments	-	-	-	-	-	-
Fixed term deposits and cash	-	82	82	-	1,520	1,520
Investment debtor	-	-	-	-	-	-
Total group investments	10,451	49,851	60,302	8,168	49,723	57,891

13 PARENT AND SUBSIDIARY UNDERTAKINGS

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

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

	Parent College £'000	Pembroke College Enterprises Limited £'000	Pembroke College Conferences and Events £'000
Income	16,177	-	1,738
Expenditure	11,668	(19)	1,223
Donation to College under gift aid	-	19	515
Result for the year	4,509	-	-
Total assets	102,485	12	1,662
Total liabilities	(16,180)	(12)	(1,662)
Net funds at the end of year	86,305	-	-

During the year an amount of £1,212k (2017: £1,176k) 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 £1,063k (2017: £533k) was owed by PCCE to Pembroke College. At the year end, a balance of £5k (2017: £69k) was owed by the College to PCEL.

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

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2010. The investment return to be applied as [income is calculated as 3.5% (2017: 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	23,306	-	23,306	-	23,306
Unapplied total return	-	16,677	16,677	-	16,677
Expendable endowment				14,992	14,992
Total Endowments	23,306	16,677	39,983	14,992	54,975
Movements in the reporting period:					
Gift of endowment funds	81	-	81	260	340
Recoupment of trust for investment	-	-	-	-	-
Allocation from trust for investment	-	-	-	-	-
Investment return: total investment income	-	1,371	1,371	512	1,883
Investment return: realised and unrealised gains and losses	-	2,517	2,517	944	3,461
Less: Investment management costs	-	(182)	(182)	(65)	(247)
Other transfers	-	(305)	(305)	319	14
Total	81	3,401	3,482	1,970	5,451
Unapplied total return allocated to income in the reporting period			-		-
Expendable endowments transferred to income	-	(1,417)	(1,417)	(532)	(1,949)
	-	(1,417)	(1,417)	(532)	(1,949)
Net movements in reporting period	81	1,983	2,065	1,438	3,502
At end of the reporting period:					
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

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

15 DEBTORS

	2018	2017	2018	2017
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	357	258	168	85
Amounts owed by College members	93	108	93	108
Amounts owed by Group undertakings	-	-	1,058	511
Loans repayable within one year	14	14	14	14
Prepayments and accrued income	1,313	1,452	730	886
Other debtors	-	-	-	0
Amounts falling due after more than one year:				
Loans	376	576	376	576
	2,153	2,408	2,439	2,180

16 CREDITORS: falling due within one year

	2018	2017	2018	2017
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank overdrafts	-	-	-	-
Bank loans	495	495	495	495
Obligations under finance leases	-	-	-	-
Trade creditors	250	125	248	125
Amounts owed to College Members	-	-	-	-
Amounts owed to Group undertakings	-	-	-	-
Taxation and social security	124	114	125	133
College contribution	-	-	-	-
Accruals and deferred income	1,273	1,101	666	563
Other creditors	69	59	67	57
	2,211	1,894	1,601	1,373

17 CREDITORS: falling due after more than one year

	2018	2017	2018	<i>restated</i> 2017
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	12,496	12,991	12,496	12,991
Obligations under finance leases	-	-	-	-
Other creditors	162	57	162	57
	12,658	13,048	12,658	13,048

The College had a £20m facility in the form of a revolving credit facility from Santander, available until 19 February 2014 by when the balance had to be converted to one or more long term loans.

On the 20 July 2012, the College converted £12.8m into a fixed term loan at 4.65%, with straight line amortisation based on a 33 year period with the balance outstanding (equivalent to 5 years repayments) to be repaid on 19 July 2040. This was the first conversion to a fixed term loan within the £20m loan facility.

On 19 February 2014 an additional £3m was borrowed under the facility as a fixed term loan with straight line amortisation based on a 33 year period with the balance outstanding (equivalent to 5 years repayments) to be repaid on 18 February 2042. Interest is payable on the £3m loan at a margin of 0.55% over the relevant agreed LIBOR rate.

On the 20 April 2016 £500k of the facility was fixed for a 10 year period at a fixed rate of 2.21%

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

18 PROVISIONS FOR LIABILITIES AND CHARGES

	2018	2017	2018	2017
	Group	Group	College	College
	£'000	£'000	£'000	£'000
At start of year	-	-	-	-
Charged in the Statement of Financial Activities	-	-	-	-
Settled in the year	-	-	-	-
At end of year	-	-	-	-

The above provision relates to

19 ANALYSIS OF MOVEMENTS ON FUNDS
At 31st July 2018

	At 1 August	Incoming	Resources	Transfers	Gains/ (losses)	At 31 July
	2017	resources	expended	£'000	(losses)	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment Funds - Permanent						
General College Capital	9,151	321	(48)	(321)	578	9,681
Damon Wells Trust	2,707	92	(12)	(96)	171	2,862
Stanley Ho Trust	1,449	49	(6)	(51)	91	1,532
TEPCo Trust	1,315	45	(6)	(47)	83	1,390
Lee Trust	1,270	43	(6)	(44)	80	1,343
Tanaka Fund in Numerical Mathematics	1,256	43	(5)	(45)	79	1,328
Damon Wells Chaplaincy Trust	1,114	38	(5)	(40)	70	1,177
Oxford Stanion Fund	1,069	36	(5)	(37)	67	1,130
Shimizu Trust	977	33	(4)	(35)	62	1,033
Nuffield Fund	957	33	(4)	(34)	60	1,012
Aisbitt Fund	920	31	(4)	(33)	58	972
BTP Fund	878	30	(4)	(31)	55	928
Bandar Trust Fund	786	27	(3)	(29)	50	831
Saleh Trust Fund	784	27	(3)	(29)	49	828
Rokos Physics	763	26	(3)	(27)	48	807
RokosEconomics	700	24	(3)	(24)	44	741
Theology Fellowship	703	24	(3)	(24)	44	744
Blackstone-Heuston Trust	701	24	(3)	(25)	44	741
Leung Trust	659	22	(3)	(22)	41	697
Burt 1923 Scholarship Fund	639	22	(3)	(22)	40	676
Rhodes Pelczynski Fund	633	22	(3)	(23)	40	669
Eekelaar Law Fellowship Fund	611	24	(3)	(21)	38	649
Abraham Trust	567	19	(2)	(20)	36	600
Tanaka Fund in Biochemistry	537	92	(2)	(19)	34	642
Jose Gregorio Hernandez Award	530	18	(2)	(19)	33	560
Other funds < £500k relating to:	-	-	-	-	-	-
Access	126	4	(1)	(137)	8	0
Buildings	276	9	(1)	(1)	17	300
Bursaries	791	29	(3)	(214)	50	653
Fellowships	3,170	109	(14)	(113)	200	3,352
General purposes	1,906	66	(8)	(68)	120	2,016
Lecture	205	7	(2)	(7)	13	216
Library	12	-	-	-	-	12
Pensions	401	14	(2)	(14)	25	424
Scholarships, prizes & grants	1,421	48	(6)	(50)	89	1,502
Endowment Funds - Expendable						
Expendable Capital Fund	14,992	772	(65)	(213)	944	16,430
Total Endowment Funds - College	54,975	2,223	(247)	(1,935)	3,461	58,477
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	54,975	2,223	(247)	(1,935)	3,461	58,477
Restricted Funds						
Funds < £500k relating to:						
Buildings	412	17	(5)	35	-	459
Fellowships	1,779	519	(1,044)	341	-	1,595
Scholarships, prizes & grants	511	408	(402)	166	-	683
Research centres	474	427	(329)	-	-	572
Other funds	928	235	(300)	229	-	1,092
Total Restricted Funds - College	4,104	1,606	(2,080)	771	-	4,401
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	4,104	1,606	(2,080)	771	-	4,401

Pembroke College
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Unrestricted Funds

Designated funds:						
Fellowships (Physics & Theology)	945	31	(4)	-	-	971
Pensions	58	-	-	(12)	-	45
Scholarships, prizes & grants	120	5	(1)	-	-	124
Other	49	244	-	-	-	293
Total designated funds	1,172	280	(5)	(12)		1,433
General funds	23,382	8,602	(9,245)	1,176	-	23,917
Revaluation reserve						-
Pension reserve	(1,827)		(94)			(1,921)
Total Unrestricted Funds - College	22,727	8,882	(9,344)	1,164	-	23,429
Unrestricted funds held by subsidiaries	(176)	-	-	-	-	(176)
Total Unrestricted Funds - Group	22,551	8,882	(9,344)	1,164	-	23,253
Total Funds	81,630	12,711	(11,671)	-	3,461	86,131

ANALYSIS OF MOVEMENTS ON FUNDS
At 31st July 2017

	At 1 August 2016 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2017 £'000
Endowment Funds - Permanent						
General College Capital	8,381	342	(66)	(309)	803	9,151
Damon Wells Trust	2,480	101	(20)	(92)	238	2,707
Stanley Ho Trust	1,328	54	(11)	(49)	127	1,449
TEPCo Trust	1,204	49	(9)	(44)	115	1,315
Lee Trust	1,163	47	(9)	(43)	112	1,270
Tanaka Fund in Numerical Mathematics	1,150	47	(9)	(42)	110	1,256
Damon Wells Chaplaincy Trust	1,020	42	(8)	(38)	98	1,114
Oxford Stanion Fund	750	281	(6)	(28)	72	1,069
Shimizu Trust	895	37	(7)	(33)	86	977
Nuffield Fund	876	36	(7)	(32)	84	957
Aisbitt Fund	842	34	(7)	(31)	81	920
BTP Fund	804	33	(6)	(30)	77	878
Bandar Trust Fund	720	29	(6)	(27)	69	786
Saleh Trust Fund	718	29	(6)	(26)	69	784
Rokos Physics	704	29	(6)	(26)	62	763
RokosEconomics	646	26	(5)	(24)	57	700
Theology Fellowship	644	26	(5)	(24)	62	703
Blackstone-Heuston Trust	642	26	(5)	(24)	61	701
Leung Trust	603	25	(5)	(22)	58	659
Burt 1923 Scholarship Fund	585	24	(5)	(22)	56	639
Rhodes Pelczynski Fund	579	24	(5)	(21)	56	633
Eekelaar Law Fellowship Fund	552	26	(4)	(15)	53	611
Abraham Trust	519	21	(4)	(19)	50	567
Tanaka Fund in Biochemistry	421	94	(3)	(16)	40	537
Jose Gregorio Hernandez Award	485	20	(4)	(18)	47	530
Other funds < £500k relating to:						
Access	115	5	(1)	(4)	11	126
Buildings	253	10	(2)	(9)	24	276
Bursaries	724	31	(6)	(27)	69	791
Fellowships	2,902	120	(23)	(107)	278	3,170
General purposes	1,746	71	(14)	(64)	167	1,906
Lecture	187	8	(1)	(7)	18	205
Library	11	0	(0)	(0)	1	12
Pensions	368	15	(3)	(14)	35	401
Scholarships, prizes & grants	1,300	54	(10)	(48)	125	1,421
Endowment Funds - Expendable						
Expendable Capital Fund	12,778	1,562	(101)	(472)	1,225	14,992
Total Endowment Funds - College	49,087	3,378	(389)	(1,807)	4,706	54,975
Endowment funds held by subsidiaries	-	-	-	-	-	0
Total Endowment Funds - Group	49,087	3,378	(389)	(1,807)	4,706	54,975
Restricted Funds						
Funds < £500k relating to:						
Buildings	366	17	(7)	36	-	412
Fellowships	1,408	404	(723)	690	-	1,779
Scholarships, prizes & grants	409	342	(346)	106	-	511
Research centres	155	628	(309)	-	-	474
Other funds	750	333	(337)	182	-	928

Pembroke College
Notes to the financial statements
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Total Restricted Funds - College	3,088	1,724	-	(1,722)	1,014	-	4,104
Restricted funds held by subsidiaries	-	-	-	-	-	-	0
Total Restricted Funds - Group	3,088	1,724	(1,722)	1,014	-	-	4,104
Unrestricted Funds							
Designated funds:							
Fellowships (Physics & Theology)	916	36	(7)	-	-	-	945
Pensions	81	3	(26)	-	-	-	58
Scholarships, prizes & grants	117	5	(2)	-	-	-	120
Other	47	2	(0)	-	-	-	49
Total designated funds	1,161	46	(35)				1,172
General funds	23,730	7,952	(9,093)	793	-	-	23,382
Revaluation reserve							0
Pension reserve	(1,714)		(113)				(1,827)
Total Unrestricted Funds - College	23,177	7,998	(9,241)	793	-	-	22,727
Unrestricted funds held by subsidiaries	(176)	-	-	-	-	-	(176)
Total Unrestricted Funds - Group	23,001	7,998	(9,241)	793	-	-	22,551
Total Funds	75,175	13,100	(11,352)	0	4,706		81,630

20 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

General College Capital	General Permanent Endowment
Damon Wells Trust	Supports a Fellowship in History
Stanley Ho Trust	Supports a Fellowship in Chinese History
Tanaka Fund in Numerical Mathematics	Supports a Fellowship in Numerical Mathematics
TEPCo Trust	Supports a Fellowship in Japanese
Lee Trust	Supports a Fellowship in Engineering
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
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
Rokos Economics Fund	Supports a Fellowship in Economics
Theology Fellowship	Supports a Fellowship in Theology
Blackstone-Heuston Trust	Supports a Fellowship in Law
Leung Trust	Supports a Fellowship in Law
Burt 1923 Scholarship Fund	Supports hardship and general expenditure
Rhodes Pelczynski Fund	Supports a Fellowship in Politics
Eekelaar Law Fellowship Fund	Supports a Fellowship in Law
Abraham Trust	Supports a Fellowship in Zoology
Oxford Stanion Fund	Supports a Graduate Scholarship in Biochemistry
Tanaka Fund in Biochemistry	Supports a Fellowship in Biochemistry
Jose Gregorio Hernandez Award	Advance the education of graduates of Venezuelan nationality

Endowment Funds - Expendable:

General College Capital	General Expendable Endowment
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Pembroke College
Notes to the financial statements
For the year ended 31 July 2018

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

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2018 Total £'000
Tangible fixed assets	31,398	-	-	31,398
Property investments	-	-	4,519	4,519
Other investments	1,943	4,401	53,958	60,302
Net current assets and other long term liabilities	2,903	-	-	2,903
Long term loan finance	(12,991)	-	-	(12,991)
	23,253	4,401	58,477	86,131

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2017 Total £'000
Tangible fixed assets	31,859	-	-	31,859
Property investments	-	-	2,757	2,757
Other investments	1,569	4,104	52,218	57,891
Net current assets and other long term liabilities	2,609	-	-	2,609
Long term loan finance	(13,486)	-	-	(13,486)
	22,551	4,104	54,975	81,630

22 TRUSTEES' REMUNERATION

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

Trustees of the college fall into the following categories:

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

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

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

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out in pp 3-5 of the section, Governing Body, Officers and Advisers.

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Remuneration paid to trustees

Range	2018		2017	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£1,001-£2,000	1	1,049	-	-
£4,001-£5,000	1	4,678	-	-
£7,001-£8,000	1	7,672	-	-
£10,001-£11,000	-	-	1	10,786
£11,001-£12,000	1	11,896	1	11,502
£14,001-£15,000	1	14,903	1	14,092
£16,001-£17,000	-	-	-	-
£17,001-£18,000	-	-	-	-
£18,001-£19,000	-	-	1	18,875
£19,001-£20,000	2	39,183	1	19,626
£20,001-£21,000	-	-	2	40,531
£21,001-£22,000	7	153,933	8	171,696
£22,001-£23,000	2	44,700	4	90,767
£23,001-£24,000	7	165,221	6	139,900
£24,001-£25,000	2	48,381	-	-
£25,001-£26,000	1	25,821	-	-
£26,001-£27,000	-	-	2	53,641
£27,001-£28,000	2	54,611	1	27,351
£28,001-£29,000	2	57,458	-	-
£29,001-£30,000	1	29,514	-	-
£40,001-£41,000	1	40,626	-	-
£43,001-£44,000	-	-	1	43,987
£46,001-£47,000	1	46,050	-	-
£47,001-£48,000	1	47,816	-	-
£52,001-£53,000	-	-	1	52,203
£53,001-£54,000	-	-	1	53,213
£54,001-£55,000	2	109,066	1	54,288
£55,001-£56,000	1	55,439	1	55,004
£56,001-£57,000	1	56,138	-	-
£57,001-£58,000	-	-	1	57,108
£58,001-£59,000	1	58,318	-	-
£67,001-£68,000	-	-	1	67,094
£72,001-£73,000	-	-	1	72,213
£81,001-£82,000	-	-	-	-
£82,001-£83,000	-	-	1	82,653
£83,001-£84,000	2	167,191	-	-
£84,001-£85,000	-	-	1	84,313
£86,001-£87,000	1	86,066	-	-
£87,001-£88,000	-	-	1	87,234
£89,001-£90,000	-	-	1	89,201
£92,001-£93,000	1	92,288	-	-
£104,001-£104,999	-	-	1	104,373
£106,001-£107,000	1	106,181	-	-
Total	44	1,524,199	41	1,501,651

10 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.

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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 £21 (2017 - £nil) was reimbursed to one (2017 - nil) of the Trustees .

See also note 30 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £491k (2017: £471k).

Key management are considered to be the College Officers as set out in the Report of the Governing Body

23 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf its fellows and staff. Both schemes include contributory multi-employer defined benefit schemes with the assets being held in separate trustee-administered funds.

Insufficient information is available to enable the College to use defined benefit accounting for these schemes and, 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. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

Universities Superannuation Scheme

The pension charge for the year includes £322k (2017 - £319k) in relation to the USS. This represents contributions of £339k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £(16)k.

The USS employer contribution rate has been 18% of salaries from 1 April 2016. The total employer contributions include provisions for the cost of future accrual of defined benefit (DB) (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer the employer contribution towards defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

The latest formal actuarial valuation of the USS is being carried out as at 31 March 2017 to meet the requirements of the Pensions Act 2001. The final publication of this valuation has been delayed beyond the statutory deadline of 30 June 2018 so that the completion of the valuation can run in parallel to the Joint Expert Panel ("JEP") which is reviewing the valuation to provide assurances that the trustee is, ultimately, in a position to address its statutory obligations. Currently, based on a future average annual returns forecast of CPI + 0.71%, the draft valuation shows that the scheme assets are sufficient to cover 89% of the liabilities with a funding deficit of £7.5bn as at 31 March 2017. The valuation also shows that maintaining the current level of benefits would, in turn, require a combined contribution rate of 37.4% of pay, including increasing deficit recovery contributions from 2.1% of pay as currently to 6% of pay.

The USS has subsequently reported that the estimated funding deficit increased to £8.4bn (88% funded) as at 31 March 2018.

The JEP is tasked with agreeing key principles to underpin the future approach of the University and College Union (UCU) and Universities UK (UUK) to the USS valuation. The JEP published their first report on 13 September 2018 and has recommended four areas where adjustments to the valuation should be considered. It is the JEP belief, based on independent actuarial analysis, that the full implementation of these adjustments could mean total required contributions estimated at 29.2% to fund current benefits (minus the 1%). This compares to the current rate of 26% (18% of salary paid by employers as above, 8% by employees) and the rate of 36.6% from April 2020 which has been proposed by USS based on the valuation as it stands.

In the judgement of the College, as the 2017 valuation has not formally completed and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation. Accordingly a provision of £529k (2017 - £545k) for the present value of the estimated future deficit funding element of the employer contributions payable based on the current agreement for the payment of contributions. 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.

However, there is a significant risk that the year-end provision for the costs of the deficit funding as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The College expects to have greater clarity in this respect during the next financial year.

Details on the 2017 actuarial valuation of the scheme and the implications to the employers and employees are available on the USS website www.uss.co.uk

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Oxford Staff Pension Scheme

The pension charge for the year includes £556k (2017 - £583k) in relation to the OSPS. This represents contributions of £446k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £110k.

The latest formal actuarial valuation of OSPS was carried out as at 31 March 2016 to meet the requirements of the Pensions Act 2004, and was published in April 2017. This valuation showed the scheme assets as £527.8m being sufficient to cover 80% of its liabilities of £660.7m on a technical provisions basis with an overall shortfall of £132.9m.

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

The trustee and University have agreed a recovery plan under which the employers have paid contributions of 22.5% of employee pensionable salaries to 31 July 2016, 23% for the period 1 August 2016 to 31 July 2017 and will pay 19% from August 2017. In addition, the employers will continue to reimburse the scheme in respect of Pension Protection Fund (PPF) and other levies collected by the Pensions Regulator. These contributions, together with an allowance for the Scheme's assets to return 2.5% per annum above gilt yields, are expected to eliminate the technical provision deficit by 30 June 2027.

A provision of £1,392k has been included in the financial statements as at 31 July 2018 (2017 - £1,282k) for the present value of the estimated future deficit funding element of the contributions payable under this recovery plan agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases

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

24 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary company(ies) because the directors of this/these company(ies) have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

25 FINANCIAL INSTRUMENTS

The financial statements include the following in respect of items held at fair value:

	2018			2017		
	Income £'000	Expense £'000	Gains / (losses) £'000	Income £'000	Expense £'000	Gains / (losses) £'000
Financial assets measured at fair value through profit or loss	-	-	-	-	-	-
Financial liabilities measured at fair value through profit or loss	-	-	-	-	-	-
Financial assets measured at amortised cost	-	-	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-	-	-

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

	2018	2017
	Group	Group
	£'000	£'000
Net income/(expenditure)	4,501	6,454
Elimination of non-operating cash flows:		
Investment income	(2,097)	(2,216)
(Gains)/losses in investments	(3,461)	(4,706)
Endowment donations	(340)	(1,373)
Depreciation	1,114	1,211
(Surplus)/loss on sale of fixed assets	-	-
Decrease/(Increase) in stock	(13)	1
Decrease/(Increase) in debtors	255	(444)
(Decrease)/Increase in creditors	422	(224)
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	94	113
Net cash provided by (used in) operating activities	475	(1,184)

27 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£'000	£'000
Cash at bank and in hand	2,835	3,285
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	2,835	3,285

28 FINANCIAL COMMITMENTS

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	2018	2017
	£'000	£'000
Land and buildings		
expiring within one year	-	-
expiring between two and five years	-	-
expiring in over five years	-	-
	-	-
Other		
expiring within one year	-	-
expiring between two and five years	-	-
expiring in over five years	-	-
	-	-

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29 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £0k (2017 - £0k).

30 RELATED PARTY TRANSACTIONS

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

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

Loans to trustees are available under two schemes:

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

	2018	2017
	No.	No.
Scheme 1	4	5
Scheme 2	<u>1</u>	<u>1</u>
	<u>5</u>	<u>6</u>

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

	2018	2017
	£'000	£'000
Total net book value of properties owned jointly with trustees	-	-

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

31 CONTINGENT LIABILITIES

None

32 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.