

Pembroke College

Financial Statements

Year ended 31 July 2009

PEMBROKE COLLEGE

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PEMBROKE COLLEGE

Report of the Governing Body

The Governing Body of Pembroke College presents the annual report and financial statements for the year ended 31 July 2009.

Status

Pembroke College is an independent self-governing charitable institution. It was founded by Thomas Tesdale and Richard Wightwick with original statutes drawn up by Royal Commission in 1624. The corporation comprises the Master and Fellows. The College is an exempt charity under s3(5)(a) Charities Act 1993 (as listed in Schedule 2(b) to that Act). Following the introduction of the Charities Act 2006, the College will be registering with the Charity Commission.

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research.

Within these objects, the College also has various permanently endowed trust funds held for special purposes in connection with the support of Fellowships, the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

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 holds to itself the responsibilities for the ongoing 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 includes the Finance and Planning Committee, the Academic Committee, the Domestic Management Committee, the Development Committee and the Investment Committee.

Scope of the financial statements

The financial statements consolidate the accounts of Pembroke College and its subsidiary Pembroke College Enterprises Limited. The principal activity of Pembroke College Enterprises Limited is the management of construction projects on behalf of the College.

Review of operations and finance

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

The Income and Expenditure account shows a surplus of £255k (2008 - £292k)

Income at £6,604k (2008 - £6,093k) benefited from the College's efforts to raise income including a successful Annual Fund telethon campaign during the year.

Expenditure rose to £6,349k (2008 - £5,801k) as a consequence of the national academic pay settlement, the appointment of two new tutorial Fellows, increased employers' pension contributions and other actions, which form part of the College's strategic plan..

Overall the College has continued to generate a satisfactory surplus without drawing heavily on its investment return. This surplus has enabled the College to reinvest to assist in fulfilling the College's long term strategic objectives.

PEMBROKE COLLEGE
Report of the Governing Body

The College has entered into an agreement to buy two parcels of land adjacent to its main site, subject to planning consent, which is pending subject only to finalisation of the relevant legal documentation. This land will be used together with existing properties owned by the College for a major new development of student bedrooms, an auditorium and other facilities.

To date the College has spent £1,428k on the deposits for the land and professional fees associated with the design of the new building. A further £225k has been spent on professional fees associated with the refurbishment and extension of the Kitchen & Hall building. These major developments are to be funded by a mixture of donated money and a long term loan facility. Work will commence on the Kitchen & Hall project in early 2010.

The Total Funds of the College have fallen from £46,698k to £44,856k reflecting the adverse movements suffered in the stock markets this financial year.

Investment performance

The College invests in funds on the recommendation of the Investment Committee and in 2008/9 these are combination of Black Rock funds and other funds held by Black Rock as custodians. The performance of the College's investments has been satisfactory in the context of market conditions. Cash reserves are placed on short and long term deposit across a number of banks.

In accordance with best practice, Governing Body decided to put the management of the College's endowment funds out to tender. As a result of the review, Newton Investment Management Ltd. and Sarasin & Partners LLP were appointed with discretionary mandates to manage the majority of the College's Endowment. These changes of investment managers were implemented in September 2009.

Reserves and funds

The balance on consolidated General Reserves at the year end amounted to £6,996k. The Governing Body considers that the current level of general reserves is sufficient to allow the College to be managed efficiently and to provide a contingency.

Risk management

The major risks to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to mitigate these risks.

Auditors

The Governing Body decided that in accordance with best practice, it was appropriate to put the audit out to tender and following a selection process Horwath Clark Whitehill LLP were appointed.

Approved by the Governing Body on 2 December 2009

G I Henderson - Master

PEMBROKE COLLEGE
Responsibilities of the Governing Body

In accordance with the College's Statutes, the Governing Body is responsible for the administration and management of the College's affairs.

It is responsible for ensuring that there is an effective system of internal control and that accounting records are properly kept. It is required to present audited financial statements for each financial year, prepared in accordance with the Statutes of the University.

In preparing the financial statements, the Governing Body has ensured that:

- ◆ suitable accounting policies are selected and applied consistently;
- ◆ judgements and estimates are made that are reasonable and prudent;
- ◆ applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- ◆ it is satisfied that it has adequate resources to continue in operation for the foreseeable future: accordingly the financial statements are prepared on a going concern basis.

The Governing Body has taken reasonable steps to:

- ◆ ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud;
- ◆ secure the economical, efficient and effective management of the College's resources and expenditure.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss.

Under the Charities Act 1993, the members of the Governing Body must ensure that the property and income of the College are applied only in support of purposes which are charitable in law.

PEMBROKE COLLEGE

REPORT OF THE INDEPENDENT AUDITOR TO THE GOVERNING BODY OF PEMBROKE COLLEGE

We have audited the consolidated financial statements of Pembroke College for the year ended 31 July 2009 which comprise the principal accounting policies, the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the consolidated and College balance sheets, the consolidated cash flow statement, and notes 1 to 27. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Governing Body, in accordance with the College's statutes. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governing Body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Body and auditor

The Governing Body's responsibilities for preparing the Report of the Governing Body and the financial statements in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the Accounts of the Colleges made thereunder, are set out in the Responsibilities of the Governing Body.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the Accounts of the Colleges made thereunder. We also report to you if, in our opinion, the Report of the Governing Body is not consistent with the financial statements, if the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Report of the Governing Body and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governing Body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Unqualified opinions

In our opinion:

- a) the financial statements give a true and fair view in accordance with UK GAAP of the state of affairs of the group and of the College as at 31 July 2009 and of the group's surplus for the year then ended;
- b) the financial statements have been properly prepared in accordance with the provisions of Statute XV made by the University of Oxford under the Universities of Oxford and Cambridge Act, 1923, and of Regulations for the Accounts of the Colleges made thereunder; and
- c) income for the provision of education received from the University of Oxford during the year ended 31 July 2009 has been applied for the purposes for which it was received.

Horwath Clark Whitehill LLP

Chartered Accountants and Statutory Auditor
St Bride's House
10 Salisbury Square
London EC4Y 8EH
2 December 2009

PEMBROKE COLLEGE
Statement of Principal Accounting Policies

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of endowment asset investments and in accordance with applicable accounting standards and according to the University of Oxford Statute XV to meet specific requirements imposed by University and College statutes.

These specific requirements reflect the provisions set out in the Statement of Recommended Practice ("SORP"): Accounting for Further and Higher Education issued in July 2003 but have not been updated for the introduction of the amended version of this SORP issued in July 2007. Due to the proposed future movement of the College financial statements to the Charities SORP, which is expected to be implemented in conjunction with the registration of the Oxford Colleges with the Charity Commission, the University of Oxford College Accounts Committee has concluded that there is no benefit in amending the specific requirements this year.

The financial statements consolidate the accounts of the College and of its subsidiary undertaking, Pembroke College Enterprises Limited. The accounts of the affiliated student bodies (Pembroke College Junior and Middle Common Rooms) have not been consolidated because the College does not control these activities.

Recognition of income

Fees and other income for services provided are credited to the income and expenditure account on a receivable basis. Conference income is recognised in the period during which the conference activity takes place. Income from specific endowments and other restricted income is included to the extent of the relevant expenditure incurred during the year. Income from general endowments (the use of which is not legally restricted to a specific purpose or activity) together with the included income from specific endowments is calculated to a sustainable spend rate (currently up to a maximum of 3.5%) expressed as a percentage of appropriately averaged total (specific and general) endowment values.

Donations

Donations received, which are intended to increase the permanent endowment of the College, are credited to Endowment Capital. Donations which are to be used to support major repair and renovation works are credited to deferred capital and will be released to income on a basis which correlates with the depreciation of those works.

Pension costs

Contributions to the pension schemes provided for employees of the College are charged to the income and expenditure account over the period during which the College benefits from the employees' services. Variations from the regular cost are spread over the expected average remaining working lives of members of the schemes.

Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on a straight line basis over the following periods:

Freehold buildings	50 years
Building improvements	10 - 30 years
Equipment	5 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet, but is unlikely to be material.

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods.

The College operates a "de minimis" limit of £20,000 for the capitalisation of expenditure on equipment. Works of art and other valuable artefacts that can be regarded as inalienable are not included in the financial statements.

Investments

Listed investments and properties held as fixed asset and endowment asset investments are stated at market value. Surpluses or deficits arising on the revaluation or realisation of endowment asset investments are added to or subtracted from the funds concerned.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Provisions

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

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are included in the income and expenditure account for the year.

PEMBROKE COLLEGE
Statement of Principal Accounting Policies

Taxation status

As an exempt charity within the meaning of Schedule 2 of the Charities Act 1993, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College receives no similar exemption in respect of Value Added Tax.

The management of construction projects undertaken by the College is administered through its subsidiary company, which, as a commercial organisation, is liable to Corporation Tax. Profits made by this company will, however, be transferred to the College by Gift Aid, income tax being deducted through Gift Aid payments and recovered by the College.

College Contribution Scheme

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. Contribution is calculated annually in accordance with regulations made by Council.

Historic cost of Functional Buildings

The cost of freehold buildings at the start of the year (note 10) is taken from previous accounting records, which are available for the last 40 years. Buildings over 50 years old are regarded as fully depreciated and are therefore not represented in this figure.

PEMBROKE COLLEGE
Consolidated Income and Expenditure Account
Year ended 31 July 2009

	Notes	2009 £000	2008 £000
INCOME			
Academic fees, tuition income and other HEFCE support	1	2,613	2,569
Research grants and contracts	2	-	-
Other operating income	3	3,206	2,830
Endowment return and interest receivable	4	785	694
Total income		<u>6,604</u>	<u>6,093</u>
EXPENDITURE			
Staff costs	5	3,623	3,178
Depreciation		339	371
Other operating expenses		2,361	2,245
Interest payable		8	5
Contribution under Statute XV		18	2
Total expenditure	7	<u>6,349</u>	<u>5,801</u>
Surplus for the year on continuing operations before taxation		255	292
Taxation	8	-	-
Surplus for the year after taxation	9	<u>255</u>	<u>292</u>

Consolidated statement of total recognised gains and losses
Year ended 31 July 2009

	Notes	2009 £000	2008 £000
Surplus for the year	19	255	292
(Depreciation) of endowment asset investments	18	(4,240)	(2,325)
Income receivable from endowment asset investments	18	950	1,037
Transfer to income & expenditure account from general endowment	18	(702)	(606)
Net additions to deferred capital	17	1,423	1,761
New endowments received	18	472	707
Total recognised (losses)/gains relating to the year		<u>(1,842)</u>	<u>866</u>
Opening reserves and endowments		46,698	45,832
Closing reserves and endowments		<u>44,856</u>	<u>46,698</u>

PEMBROKE COLLEGE
Balance Sheets
As at 31 July 2009

	Notes	CONSOLIDATED		COLLEGE	
		2009 £000	2008 £000	2009 £000	2008 £000
Fixed assets					
Tangible assets	10	9,631	8,270	9,656	8,270
Investments	11	-	-	-	-
		<u>9,631</u>	<u>8,270</u>	<u>9,656</u>	<u>8,270</u>
Endowment asset investments					
Securities and cash deposits		29,514	33,034	29,514	33,034
Land and property		2,954	2,954	2,954	2,954
	12	<u>32,468</u>	<u>35,988</u>	<u>32,468</u>	<u>35,988</u>
Current assets:					
Stocks		33	31	33	31
Debtors	13	928	1,479	935	1,479
Cash at bank and in hand		3,370	2,648	3,370	2,614
		<u>4,331</u>	<u>4,158</u>	<u>4,338</u>	<u>4,124</u>
Creditors:					
Amounts falling due within one year	14	(866)	(890)	(878)	(861)
Net current assets		<u>3,465</u>	<u>3,268</u>	<u>3,460</u>	<u>3,263</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		45,564	47,526	45,584	47,521
Creditors:					
Amounts falling due after more than one year	15	(579)	(690)	(579)	(690)
Provision for liabilities and charges	16	(129)	(138)	(129)	(138)
TOTAL NET ASSETS		<u>44,856</u>	<u>46,698</u>	<u>44,876</u>	<u>46,693</u>
Deferred capital	17	5,392	3,969	5,392	3,969
Endowments					
Specific		19,437	20,666	19,437	20,666
General		13,031	15,322	13,031	15,322
	18	<u>32,468</u>	<u>35,988</u>	<u>32,468</u>	<u>35,988</u>
Reserves					
General reserves		6,996	6,741	7,016	6,736
	19	<u>6,996</u>	<u>6,741</u>	<u>7,016</u>	<u>6,736</u>
TOTAL FUNDS		<u>44,856</u>	<u>46,698</u>	<u>44,876</u>	<u>46,693</u>

The financial statements were approved by the Governing Body of Pembroke College on 2nd December 2009

G I Henderson
Master

J E Church
Bursar

PEMBROKE COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2009

	Note	2009 £000	2008 £000
Net cash inflow/(outflow) from operating activities	24	<u>188</u>	<u>(278)</u>
Returns on investments and servicing of finance			
Income from endowments received		950	1,037
Other income from investments and interest received		<u>83</u>	<u>88</u>
		1,033	1,125
Interest paid		(8)	(5)
Net cash inflow from returns on investments and servicing of finance		<u>1,025</u>	<u>1,120</u>
Capital expenditure and financial investment			
Net (acquisition) of tangible fixed assets		(1,700)	(47)
Net (acquisition)/realisation of endowment asset investments		(1,162)	12
Net reduction of endowment debtors		3	23
Endowments received		472	707
Deferred capital received		1,517	1,855
Other net capital movements		-	-
Net cash (outflow)/inflow from capital expenditure and financial investment		<u>(870)</u>	<u>2,550</u>
Net cash inflow before use of liquid resources and financing		343	3,392
Management of liquid resources	25	-	-
Financing	26	(60)	(30)
Increase in cash	27	<u>283</u>	<u>3,362</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash for the year		283	3,362
Change in net funds		<u>283</u>	<u>3,362</u>
Net funds at 1 August		7,800	4,438
Net funds at 31 July		<u>8,083</u>	<u>7,800</u>

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

	2009 £000	2008 £000
1 ACADEMIC FEES, TUITION INCOME AND HEFCE SUPPORT		
Tuition fees from UK and European Union students	1,222	1,672
Tuition fees from overseas students	307	276
Other fees	407	374
Other tuition income and HEFCE support	677	247
	<u>2,613</u>	<u>2,569</u>

The above analysis includes support from the University from HEFCE funds amounting to £1,586k (2008 - £1,586k)

	£000	£000
2 RESEARCH GRANTS AND CONTRACTS		
Research councils	-	-
UK based charities	-	-
European commission	-	-
Other grants and contracts	-	-
	<u>-</u>	<u>-</u>

	£000	£000
3 OTHER OPERATING INCOME		
Residential income from college members	1,329	1,320
Conference and function income	866	813
Grants and donations	746	509
Other income	171	94
Release of deferred capital contributions	94	94
	<u>3,206</u>	<u>2,830</u>

	£000	£000
4 ENDOWMENT RETURN AND INTEREST RECEIVABLE		
Transferred from specific endowments (note 18)	414	384
Transferred from general endowments (note 18)	288	222
Other investment income		
Other interest receivable	83	88
	<u>785</u>	<u>694</u>

	£000	£000
5 STAFF COSTS		
Gross pay	2,970	2,642
Social Security costs	205	182
Other pension costs	383	290
Other benefits	65	64
	<u>3,623</u>	<u>3,178</u>

It is standard accounting practice to disclose further information relating to staff numbers and analyses of remuneration for higher paid employees. This information has not been included due to the particular difficulty of presenting meaningful data for staff jointly employed by the University and colleges.

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

6 PENSION SCHEMES

6.1 The pension schemes

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

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

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

The College has made available a Stakeholder Scheme for individual employees, but does not contribute to that scheme.

The College also contributes to a small number of staff in other pension schemes.

6.2 Actuarial valuations

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

	USS	OSPS
Date of valuation:	31/03/2008 ^a	31/07/2007
Date valuation results published:	04/02/2009	09/10/2008
Value of past service liabilities:	£28,135m	£325m
Value of assets:	£28,842m	£282m
Funding Surplus/(Deficit):	£707m ^b	(£43m) ^c
Principal assumptions:		
Rate of interest (past service liabilities)	4.4% pa	-
Rate of interest (future service liabilities)	6.1% pa	-
Rate of interest (periods up to retirement)	-	6.9% pa
Rate of interest (periods after retirement)	-	4.9% pa
Rate of increase in salaries	4.3% pa	4.8% pa
Rate of increase in pensions	3.3% pa	3.3% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23 yrs	
Assumed life expectancy at age 65 (females)	25 yrs	
Funding Ratios:		
Scheme valuation basis:	103% ^d	87%
Statutory Pension Protection Fund basis:	107%	95%
"Buy-out" basis:	79% ^d	71%
Estimated FRS17 basis	104% ^d	89%
Recommended Employer's contribution rate (as % of pensionable salaries):	16% ^e	21.5% ^c
Effective date of next valuation:	31/03/2011 ^a	31/07/2010

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

Notes:

a. USS' actuary will undertake an actuarial valuation of the Scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.

b. In the light of the considerable swings in markets since the valuation date, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity orientated investment strategy, USS' actuary recommended, and the Trustee agreed, that the ongoing funding surplus should be carried forward to the next valuation.

c. OSPS' actuarial valuation as at 31 July 2007 identified a required long-term employer contribution rate of 17.85% of total pensionable salaries, but also a funding deficit of £43.2m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by increasing the employer contribution rate to the previously agreed rate of 21.5% of total pensionable salaries with effect from 1 August 2008. The actuary has certified that the additional 3.65% contribution should eliminate the deficit by 31 July 2025.

d. Since 31 March 2005, the financial security of USS has improved and the actuary has estimated that the funding level has increased from 77% at 31 March 2005 to 103% at 31 March 2008, but that at 31 March 2008 This fluctuation is due to the volatility of investment returns and gilt yields (used to value scheme liabilities) compared to the rates assumed at 31 March 2005. On the FRS17 basis, the actuary estimated that the funding level at 31 March 2008 was above 104% and on a buy out basis was approximately 79%.

e. The USS employer contribution rate required for future service benefits alone at the date of the valuation was 16.0% of total pensionable salaries and the Trustee company, on the advice of the actuary, decided to implement the increase from 14% to 16% on 1 October 2009.

6.3 Sensitivity of actuarial valuation assumptions:

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The

Assumption	Change in assumption	Impact on scheme liabilities	
		USS	OSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £2.2bn	decrease / increase by £30m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £1.5bn	increase / decrease by £20m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £0.7bn	increase / decrease by £7m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £1.6bn	increase by £10m

6.4 Pension charge for the year:

The pension charge recorded by the College during the accounting period was equal to the contributions payable as

Scheme	2009 £'000	2008 £'000
Universities Superannuation Scheme	149	115
University of Oxford Staff Pension Scheme	215	157
Other schemes - contributions	8	9
Superannuation payments to retired members	11	9
Total:	383	290

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

7 ANALYSIS OF EXPENDITURE

	Staff costs	Depreciation	Other operating expenses	2009 Total	2008 Total
	£000	£000	£000	£000	£000
Academic	1,565	-	715	2,280	1,813
Residences, catering and conferences	1,000	-	820	1,820	1,628
Premises	227	339	445	1,011	1,201
College administration	577	-	159	736	723
Endowment management	-	-	7	7	-
Fundraising	208	-	207	415	339
Other	46	-	8	54	89
	<u>3,623</u>	<u>339</u>	<u>2,361</u>	<u>6,323</u>	<u>5,794</u>

Interest payable	8	5
Contribution under Statute XV	18	2

Total expenditure	<u>6,349</u>	<u>5,801</u>
	£000	£000

Interest payable relates to -		
Bank loans, overdrafts and other loans:		
Repayable within 5 years	8	-
Repayable wholly or partly in more than 5 years	-	5
Finance leases		
	<u>8</u>	<u>5</u>

Other operating expenses include auditors' remuneration:		
in respect of the audit of these financial statements	12	15
in respect of other services	-	1
	<u>-</u>	<u>1</u>

8 TAXATION

United Kingdom corporation tax	<u>-</u>	<u>-</u>
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9 SURPLUS FOR THE YEAR

College's surplus for the year	£000	£000
(Deficit) generated by the subsidiary undertaking	280	290
	(25)	2
	<u>255</u>	<u>292</u>

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

10 TANGIBLE FIXED ASSETS

	Land & buildings CONSOLI- DATED Freehold £000	COLLEGE Freehold £000	CONSOLI- DATED AND COLLEGE Equipment £000	CONSOLI- DATED Total £000	COLLEGE Total £000
Cost					
At start of year	11,656	11,656	360	12,016	12,016
Additions	1,692	1,717	8	1,700	1,725
Disposals	-	-	-	-	-
At end of year	<u>13,348</u>	<u>13,373</u>	<u>368</u>	<u>13,716</u>	<u>13,741</u>
Depreciation					
At start of year	3,476	3,476	270	3,746	3,746
Charge for period	302	302	38	340	340
On disposals	-	-	-	-	-
At end of year	<u>3,778</u>	<u>3,778</u>	<u>307</u>	<u>4,085</u>	<u>4,085</u>
Net book value					
At end of year	<u>9,570</u>	<u>9,595</u>	<u>61</u>	<u>9,631</u>	<u>9,656</u>
At start of year	<u>8,180</u>	<u>8,180</u>	<u>90</u>	<u>8,270</u>	<u>8,270</u>

11 FIXED ASSET INVESTMENTS

	COLLEGE	COLLEGE
Investments stated at cost		
Subsidiary undertakings	1	1
Total at end of year	<u>1</u>	<u>1</u>

The College owned 100% of the issued share capital of Pembroke College Enterprises Limited, a company incorporated in England and Wales. The principal activity of Pembroke College Enterprises Limited is the management of construction projects on behalf of the College.

12 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED AND COLLEGE		
	Securities debtors & cash £	Land & property £	Total £
At market value			
At start of year	33,034	2,954	35,988
Purchases at cost	8,978	-	8,978
Sales proceeds	(7,816)	-	(7,816)
Decrease in cash held by fund manager	(439)	-	(439)
Revaluation (losses)	(4,240)	-	(4,240)
Decrease in endowment debtors	(3)	-	(3)
At end of year	<u>29,514</u>	<u>2,954</u>	<u>32,468</u>
Analysed as			
Fixed interest stocks (listed)	3,157		
Equities (listed)	19,599		
Unlisted securities	2,038		
Cash	4,713		
Other net assets	7		
	<u>29,514</u>		
Historical cost at end of year	<u>32,402</u>		

PEMBROKE COLLEGE
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12 ENDOWMENT ASSET INVESTMENTS (CONTINUED)

The Endowment land and property was valued at £750k at 31 July 2005 by Carter Jonas, the basis of the valuation being market value. The Governing Body do not consider any movement in its value as at 31 July 2009 to be significant within the context of the total value of the Endowment investments. Nor does it consider there has been any material movement in the value, within the context of total value of the Endowment investments, of the property purchased in 2007 for £2.2m.

The investment transactions are stated after a management charge of £61k (2008 - £82k)

13 DEBTORS

	CONSOLIDATED		COLLEGE	
	2009 £000	2008 £000	2009 £000	2008 £000
Amounts falling due within one year				
Trade debtors	254	308	254	308
Amounts owed by College members	82	112	82	112
Gift aid receivable	230	376	230	376
Amounts owed by group undertakings	-	-	-	15
Deposits for purchase of land and preliminary costs for new build project	-	369	-	369
Prepayments and accrued income	118	117	125	102
Amounts falling due after more than one year				
Loans	244	197	244	197
	<u>928</u>	<u>1,479</u>	<u>935</u>	<u>1,479</u>

14 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		COLLEGE	
	2009 £000	2008 £000	2009 £000	2008 £000
Unsecured loans	30	30	30	30
Trade creditors	311	198	253	163
College Contribution	17	17	17	17
Other taxation and social security	83	66	76	72
Amounts owed to group undertakings	-	-	77	-
Accruals and deferred income	389	554	389	554
Other creditors	36	25	36	25
	<u>866</u>	<u>890</u>	<u>878</u>	<u>861</u>

15 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	£000	£000	£000	£000
Loan	120	180	120	180
Other creditors	459	510	459	510
	<u>579</u>	<u>690</u>	<u>579</u>	<u>690</u>

A loan of £300,000 was received in 2005 from the College Contributions Committee, repayable over 10 years and bearing interest at one-third of the prevailing Bristol and West plc standard variable rate.

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

16 PROVISIONS FOR LIABILITIES AND CHARGES

CONSOLIDATED AND COLLEGE	2009 £000	2008 £000
At start of year	138	146
Transfer to income and expenditure account	(9)	(8)
At end of year	129	138

The provision relates to pension liabilities

17 DEFERRED CAPITAL

CONSOLIDATED
AND COLLEGE
£000

At start of year	3,969
New capital	1,517
Released to income and expenditure account	(94)
At end of year	5,392

The balance on deferred capital represents donations received to finance the purchase of tangible fixed assets. Amounts are released to the income and expenditure account over the lives of the related assets on the same basis as the charge for depreciation.

18 ENDOWMENTS

CONSOLIDATED
AND COLLEGE

	Specific £000	General £000	Total £000
At start of year	20,666	15,322	35,988
Endowments received	425	47	472
(Depreciation) of endowment investments	(2,520)	(1,720)	(4,240)
Income receivable from endowment asset investments	565	385	950
Transferred to income and expenditure account (note 4)	(414)	(288)	(702)
Transfer	715	(715)	-
At end of year	19,437	13,031	32,468

Endowments comprise those funds which are regarded as for the long term and which fundamentally underpin and sustain the operation of the College at its desired level of activity.

Specific Endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity.

General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

19 RESERVES

GENERAL RESERVES

	CONSOLIDATED £000	COLLEGE £000
At start of year	6,741	6,736
Surplus from income and expenditure account	255	280
At end of year	6,996	7,016

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

20 CAPITAL COMMITMENTS

CONSOLIDATED AND COLLEGE	2009 £000	2008 £000
Commitments contracted at 31 July	<u>2,631</u>	<u>2,135</u>
	<u>2,631</u>	<u>2,135</u>

21 FINANCIAL COMMITMENTS

At 31 July 2009 the College had no annual commitments under non-cancellable operating leases (2008 - £nil)

22 CONTINGENT LIABILITIES

At 31 July 2009 (and 2008) there were no significant contingent liabilities.

23 RELATED PARTY TRANSACTIONS

	2009 No.	2008 No.
Fellows had loans outstanding at the year end as follows:		
Loan of £50,000 to £55,000	4	3
Loan of £10,000	3	3
Loan of £5,000 to £9,999	1	2

The loans to Fellows of £50,000 and over relate to assistance with the purchase of a principal residence and are interest free and repayable within 8 years of inception.

The loans of £10k or less relate to a previous scheme and interest is charged at 5% and the loans are repayable when the Fellow leaves the College.

Pembroke College is recognised as a college of the University of Oxford and is part of the collegiate University. Material interdependencies of the University and of the colleges arise as a consequence of this relationship. For reporting purposes, the University and other colleges are not treated as related parties as defined in FRS 8 ('Related party disclosures').

The majority of members of the Governing Body receive remuneration and facilities as employees of Pembroke College. Normal remuneration of, and standard arrangements with, members of Governing Body are not treated as related party transactions.

**24 RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH
INFLOW FROM OPERATING ACTIVITIES**

	2009 £000	2008 £000
Surplus for the year	255	292
Depreciation	339	371
Deferred capital released	(94)	(94)
Endowment income and interest receivable	(785)	(694)
Interest payable	8	5
(Increase)/decrease in stocks	(2)	6
Decrease/(increase) in debtors	551	(802)
(Decrease)/increase in creditors	(75)	646
(Decrease) in provision	(9)	(8)
	<u>188</u>	<u>(278)</u>

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2009

25 MANAGEMENT OF LIQUID RESOURCES

£000	£000
<u>-</u>	<u>-</u>

26 FINANCING

Repayments of amounts borrowed

£000	£000
<u>(60)</u>	<u>(30)</u>
<u>(60)</u>	<u>(30)</u>

27 ANALYSIS OF CHANGES IN NET FUNDS

	2009	Changes	2008
	£000	£000	£000
Cash at bank and in hand	3,370	722	2,648
Endowment assets cash	4,713	(439)	5,152
	<u>8,083</u>	<u>283</u>	<u>7,800</u>