
Pembroke College

Annual Report and Financial Statements

Year ended 31 July 2012

PEMBROKE COLLEGE
Annual Report and Financial Statements
Contents

Governing Body, Officers and Advisers	2-4
Report of the Governing Body	5-11
Auditor's Report	12
Statement of Accounting Policies	13-15
Consolidated Statement of Financial Activities	16
Consolidated and College Balance Sheets	17
Consolidated Cashflow Statement	18
Notes to the Financial Statements	19-33

PEMBROKE COLLEGE
Report of the Governing Body
Year ended 31 July 2012

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 eight committees.

- (1) Finance and Planning Committee
- (2) Investment Committee
- (3) Academic Committee
- (4) Development Committee
- (5) Domestic Committee
- (6) Fellows' Remuneration Committee
- (7) Strategic Planning Steering Committee
- (8) New Build Steering Committee

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)	(7)	(8)
Mr Giles Henderson	Master	•			•			•	•
Professor Brian Howard	Retired 30 Sep 2012					•			
Professor Ken Mayhew		•	•		•				
Professor Lynda Mugglestone									
Dr Mark Fricker	Academic Director	•		•	•			•	
Professor Alex Kacelnik				•		•			
Dr Tim Farrant	Vicegerent to 30 April 2012	•		•		•		•	
Professor Malcolm Godden	Retired 30 Sep 2012								
Dr Jeremy Taylor	Vicegerent from 30 April 2012	•		•		•		•	
Professor Stephen Whitefield									
Professor Helen Small									
Dr Owen Darbshire					•			•	•
Dr Adrian Gregory									
Dr Christopher Melchert									
Dr Raphael Hauser			•			•			
Professor Ben Davis					•				•
Dr Stephen Tuck									

PEMBROKE COLLEGE
Report of the Governing Body
Year ended 31 July 2012

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Professor Theo van Lint									
Professor Christopher Tuckett									
Mr John Church	Bursar	.	.		.			.	.
Dr Ariel Ezrachi									
Dr Andre Furger				.					
Professor Guido Bonsaver									
Professor Brian Rogers	Retired 30 Sep 2012								
Mr Jonathan Rees							.		
Dr Rebecca Williams								.	.
Dr Anne Henke		.							
Dr Linda Flores									
Mr Andrew Seton	Strategic Development Director	.			.			.	.
Dr Hilde de Weerd	Resigned 30 April 2012			.					
Professor Irene Tracey							.		
Revd Dr Andrew Teal						.			
Dr Daren Bowyer	Home Bursar; Resigned 30 Sep 2012	.			.	.		.	.
Dr Brian A'Hearn						.			
Dr Eamonn Molloy		.							
Dr Clive Siviour						.		.	
Mr Roger Boning		.					.		.
Dr Nick Kruger									
Professor Rodney Phillips							.	.	
Dr Nicolai Sinai				.					
Professor Min Chen									
Dr Hannah Smithson									
Mr Julian Schild	Advisory Fellow	.							
Mrs Beatrice Hollond	Advisory Fellow		.				.		
Mr Mike Wagstaff	Advisory Fellow							.	
Professor Sandra Fredman									
Dr Ingmar Posner									

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2012

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dr Alfons Weber	(appointed 1 Sep 2012)								
Dr Jeffrey Ketland	(appointed 1 Sep 2012)								

Undergraduate and Graduate students are represented in the Open sessions of Governing Body and the Finance and Planning, Academic and Domestic Committees.

Mr Percival Stanion, Mr Charles MacKinnon and Mr Chris Rokos served as external members of the Investment Committee. Mr Chris Rokos resigned from the committee on 14th August 2011. Ms Lisha Patel and Mr Olivier Meyohas were appointed as external members of the Investment Committee on 1st October 2012.

COLLEGE OFFICERS

The Officers of the College to whom day to day management is delegated were as follows.

Mr Giles Henderson	Master
Dr Tim Farrant/Dr Jeremy Taylor	Vicegerent
Dr Mark Fricker	Academic Director
Mr John Church	Bursar
Dr Daren Bowyer	Home Bursar
Mr Andrew Seton	Strategic Development Director
Dr Raphael Hauser	Dean

COLLEGE ADVISERS

Investment managers

Newton Investment Management Ltd

Sarasin & Partners LLP

Oxford University Endowment Management Ltd

Lazard Asset Management Ltd

Auditor

Crowe Clark Whitehill LLP

Bankers

The Royal Bank of Scotland plc

Santander UK plc

Solicitors

Blake Lapthorn

College address

Pembroke College, Oxford OX1 1DW

Website

www.pmb.ox.ac.uk

PEMBROKE COLLEGE
Report of the Governing Body
Year ended 31 July 2012

The Members of the Governing Body present their Annual Report for the year ended 31 July 2012 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 2 to 4 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 includes the Finance and Planning Committee, the Academic Committee, the Domestic Committee, the Development Committee and the Investment Committee.

Governing Body

The Governing Body determines the strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Master and is advised by eight principal committees.

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.

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 eight 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.

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2012

- The Development Committee develops and oversees the College's fundraising activities and alumni relations.
- The Domestic Committee develops policy and oversees those matters relating to the day-to-day operations of the College.
- The Fellows' Remuneration Committee considers and recommends changes to the remuneration of those members of Governing Body who are also employees.
- The Strategic Planning Steering Committee is convened from time to time to develop the College's long term strategy.
- The New Build Steering Committee oversees the New Build Project which is development of the site in Brewer Street. Outside consultants to the project also join the meetings of this committee.

The day-to-day running of the College is mostly delegated to the College Officers, listed on page 4. Major issues are referred to the Governing Body and/or the relevant College committee.

Group structure and relationships

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

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

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

Risk management

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

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

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 is mindful of the requirement to provide public benefit and of the disclosure requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2012

The College is committed to the aim of providing public benefit in accordance with its founding principles.

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.

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

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 2011/12 the College had 397 undergraduates (including 32 visiting students), 164 graduates, and 29 Fellows who had contractual obligations to teaching and to research.

The College provides public benefit by offering higher education to its undergraduates, mostly through the tutorial system which provides the opportunity to meet with a tutor on a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching, as appropriate, in conjunction with the University's departments. To support student learning, the College also provides the use of the College's library and accommodation, and 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 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.

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 year 2011/12, financial support was available to undergraduates from the UK or the 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 that are available to undergraduates from within the EU, other financial support is available to undergraduates from the University and the College who are from households where income is below a certain level. Oxford Opportunity Bursaries are available to undergraduates from lower income households at the College. In the 2011/12 academic year 82 students or about 28% of the College's UK undergraduates received the Oxford Opportunity Bursary, of which 52%, who had been assessed with a residual household income of less than £25,000, received the maximum bursary of £3,225. In addition, the College has a Hardship Fund which makes grants to both undergraduate and graduate students in financial hardship. For the forthcoming year 2012/13 there is a new bursary and fee waiver scheme, which is the most generous such scheme in the country.

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

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2012

some graduate studies and for the most able there are a limited 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 2011/12 there were 67 such scholarships and 7 exhibitions awarded to undergraduates. 15 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.

ACHIEVEMENTS AND PERFORMANCE

Academic achievements of the College during the year included the following.

Eamonn Molloy, Tutor in Management, in collaboration with Maja Korica (Warwick), won the 2011 Diana Forsythe Award, for their work *'Making Sense of Professional Identities: Stories of Medical Professionals and New Technologies'*. Professor Sandra Fredman FBA has been made Honorary Queen's Counsel. Professor Kacelnik received the Research Award of the Society for Comparative Cognition in USA. The distinctions of other Fellows were many and varied and set out in the College's Annual Record and other publications.

Two new Tutorial Fellows have been elected; Dr Jeffrey Ketland was appointed as new Fellow and Tutor in Philosophy, and Dr Alfons Weber was appointed as the new Fellow and Tutor in Physics. The Governing Body was pleased to be able to reintroduce Physics as a subject of undergraduate study to the College after an absence of many years as a result of a generous endowment from alumnus Chris Rokos and a matching contribution from the Oxford University Press under the framework of Oxford University's Teaching Fund.

The College was sad to lose Dr Hilde de Weerd as Fellow in Oriental Studies (Chinese), who took up a position at King's College London, and Dr Daren Bowyer, Home Bursar.

The current Master, Mr Giles Henderson CBE, will retire from his post at the end of the 2012/13 academic year. Search consultants have been appointed to assist the Governing Body with the appointment of his successor.

The number of students at Pembroke at the start of the 2011/12 academic year was as follows:

397 undergraduates (including 32 visiting students)

164 graduates

On the academic side, although our overall score in this year's Norrington Table was disappointing, a number of students won accolades in the shape of University prizes for their examination results, notably some of our Psychologists and Engineers. In other areas our students continue to impress on many fronts, including sports, particularly rowing, music and drama.

The College has developed a comprehensive Access strategy designed to raise attainment levels in students from schools and colleges from disadvantaged areas. In particular, the College has maintained its association with Brooke House Sixth Form College in Hackney to assist with raising aspirations to study at university under the Pem-Brooke initiative. This is an academically-intensive scheme which involves the participation of Pembroke students and Tutors, and has been widely acclaimed, winning a TES award in 2011. Dr Peter Claus, who developed the Hackney initiative, was appointed to the new full-time position of Access Fellow at the start of the 2012/13 academic year. At that time the College also announced a new initiative, Pembroke North, which will be spreading the benefit of our Hackney experience to a number of schools and colleges in Cheshire and around Manchester.

The New Build project is now nearing completion. Although there were some delays, due principally to the complexity of the project as well as the inclement summer weather, the bedrooms were completed in time for students to take up residence at the start of the 2012/13 academic year. It is expected that the remaining works will be completed by the end of this calendar year.

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2012

The new buildings provide 96 ensuite bedrooms, 14 refurbished bedrooms in the Bannister Building, six flats, seminar rooms, a café, a multi-purpose auditorium, an art gallery and other facilities as part of a new quad linked to the College's main site by a footbridge over Brewer Street. Undergraduates are now able to live in College premises for three years of study and there is better provision for graduates. The other facilities will greatly enhance the experience of the members of the College and will also improve the facilities the College offers to its conference business clients.

The Bridging Centuries fundraising campaign was launched publicly in October 2010, with the aim of raising £17m towards the cost of the new buildings and the refurbished Kitchen/Hall. The College is confident that the overall campaign target will be met. Due to the success of the Bridging Centuries campaign during the year the College received donations totalling £6,439k which is the highest ever achieved by the College. It is pleasing to note that this was achieved through a combination of individual donations of all sizes and that during the year 24% of Pembroke alumni gave to the College. The College also benefited from three major legacies, although some of the proceeds of these estates will not be received until the 2012/13 academic year.

The Governing Body and Strategic Planning Steering Committee completed the work on the new Strategic Plan which covers the period 2012-22.

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 £5,282k (2011 - £2,117k). After adding investment losses of £(731)k (2011 - gain of £2,375k) the net increase in funds for the year was £4,551 (2011 - £4,492k).

Total incoming resources amounted to £13,230k, an increase on the previous year of £4,125k. The main component of this increase was donations, which were £3,559k higher than the previous year. Donations to the Bridging Centuries campaign were £1,150k higher, with 2011/12 having benefited from a number of significant gifts. As at 31st July 2012, the Bridging Centuries Campaign has raised £13.1m in cash and pledges.

Total resources expended were £7,948k, an increase of £960k. This related to a variety of cost increases driven by inflation. Depreciation costs have increased with the refurbished Kitchen/Hall being operational throughout the year (last year only partly operational).

Overall the College has continued to generate a satisfactory surplus.

In recent years the College has acquired four properties adjacent to its main site, which provided the site for the New Build development. The total cost of the New Build project is projected to be £26.1m, although the final outturn will be determined by the final account process. The total cost is being financed by a long term loan from Santander and donations from alumni and friends of the College.

In respect of the New Build development the College spent £12,392k principally on construction costs and professional fees.

In the year, the College raised £2,820k as restricted funds towards the building project out of total restricted fund donations of £3,491k. In addition unrestricted donations amounted to £990k. A further £1,958k was donated to endowment funds.

The Total Funds of the College have risen in the year from £55,635k to £60,186k, chiefly reflecting the donations raised, as noted above.

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2012

Reserves policy

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

The College's free reserves at the year-end amounted to £4.5m, representing retained unrestricted income reserves excluding an amount of £11.5m for the book value of fixed assets less associated funding arrangements.

Designated reserves at the year-end amounted to £334k. The main designated fund is for pensions (£118k). The pension fund is designated to cover part of the costs of pension payments to former employees who were not covered by the OSPS scheme over the period that those pensions are paid.

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 permanent endowment 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 is monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £39,506k. The overall total investment return was 1% over the year which compared to the College's benchmark return of 7.2% (RPI + 4%), reflecting the difficult market conditions in the year.

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 3 year end opening value of the property, securities and other investments, plus costs, 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 College's plans for the 2012/13 academic year are to finalise the 2012-22 strategic plan, with a major focus on the academic strategic plan which will include outreach and admissions, the graduate community, the research community, and an expansion of College Associations for academic staff in Oxford. The New Build project will be completed during the 2012/13 academic year and the operational support arrangements will be put in place. The College also intends to increase its conference business. The College's fundraising efforts will be focused on the need to complete the Bridging Centuries campaign, to fund the New Build.

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.

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2012

Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 2012 and signed on its behalf by:

G I Henderson

Master

PEMBROKE COLLEGE

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

We have audited the financial statements of Pembroke College for the year ended 31 July 2012 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with section 153 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Body and auditor

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

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Scope of the audit of the financial statements

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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2012 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the 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.

Crowe Clark Whitehill LLP

Statutory Auditor

London

Date: 28 November 2012

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2012

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 comprising the consolidation of the College and with its wholly owned subsidiaries Pembroke College Enterprises Limited and Pembroke College Conferences and Events. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiaries included in the consolidated income, expenditure and results of the College are disclosed in note 13.

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

3. Incoming resources from fee income, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises are accounted for in the period in which the related service is provided.

4. Incoming resources from donations and legacies

Voluntary income is accounted for when the College has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

Voluntary income received for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is 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 otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

5. Investment income

Interest on bank balances and fixed interest securities is accounted for in the period to which the interest relates.

Dividend income and similar distributions are accounted for in the period in which they become receivable.

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

6. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories 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.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

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

7. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £20,000 together with expenditure on equipment costing more than £20,000 is capitalised and carried in the balance sheet at historical cost less depreciation.

PEMBROKE COLLEGE
Statement of Accounting Policies
Year ended 31 July 2012

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the Statement of Financial Activities 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 Statement of Financial Activities in the period in which it is incurred.

9. Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are valued at their mid-market values as at the balance sheet date. Investments such as hedge funds and private equity funds which have no readily identifiable market value are included at the most recent valuations from their respective managers.

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

10. 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.

11. Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the Balance Sheet date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Statement of Financial Activities.

12. 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 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 capital supplement to the preserved ('frozen') value of the permanent endowment.

The Governing Body has decided that it is in the best interests of the College to account for its invested expendable endowment capital in the same way, though there is no legal restriction on the power to spend such capital.

For the carrying value of the preserved (frozen) permanent capital, the Governing Body have taken its open market value as at 31 July 2002, together with the original gift value of all subsequent endowments received.

PEMBROKE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2012

13. Fund accounting

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

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

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. 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 income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted the use of that income, in which case it will be accounted for as a restricted fund.

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

14. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes in accordance with the requirements of FRS 17. The College's contributions to these schemes are charged 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 2012

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		4,557	-	-	4,557	4,296
		<u>4,557</u>	<u>-</u>	<u>-</u>	<u>4,557</u>	<u>4,296</u>
Resources from generated funds						
Legacies and donations		990	3,491	1,958	6,439	2,880
Trading income	2	765	-	-	765	470
Investment income	3	40	-	1,391	1,431	1,442
Bank and other interest	4	38	-	-	38	17
		<u>1,833</u>	<u>3,491</u>	<u>3,349</u>	<u>8,673</u>	<u>4,809</u>
Other incoming resources		-	-	-	-	-
Total Incoming Resources		<u>6,390</u>	<u>3,491</u>	<u>3,349</u>	<u>13,230</u>	<u>9,105</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		574	-	-	574	560
Trading expenditure		718	-	-	718	452
Investment management costs		-	-	248	248	246
		<u>1,292</u>	<u>-</u>	<u>248</u>	<u>1,540</u>	<u>1,258</u>
Charitable activities	5					
Teaching, research and residential		5,170	1,198	-	6,368	5,706
		<u>5,170</u>	<u>1,198</u>	<u>-</u>	<u>6,368</u>	<u>5,706</u>
Governance costs	8	40	-	-	40	24
Total Resources Expended		<u>6,502</u>	<u>1,198</u>	<u>248</u>	<u>7,948</u>	<u>6,988</u>
Net incoming/(outgoing) resources before transfers		(112)	2,293	3,101	5,282	2,117
Transfers between funds	19	579	658	(1,237)	-	-
Net incoming/(outgoing) resources before other gains and losses		<u>467</u>	<u>2,951</u>	<u>1,864</u>	<u>5,282</u>	<u>2,117</u>
Investment gains/(losses)		-	-	(731)	(731)	2,375
Net movement in funds for the year		<u>467</u>	<u>2,951</u>	<u>1,133</u>	<u>4,551</u>	<u>4,492</u>
Fund balances brought forward	19	15,832	4,745	35,058	55,635	51,143
Funds carried forward at 31 July	19	<u>16,299</u>	<u>7,696</u>	<u>36,191</u>	<u>60,186</u>	<u>55,635</u>

Pembroke College
Consolidated and College Balance Sheets
As at 31 July 2012

	Notes	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
FIXED ASSETS					
Tangible assets	10	32,510	20,654	32,660	20,747
Property investments	11	3,173	2,229	3,173	2,229
Securities and other investments	12	36,333	35,903	36,333	35,903
		<u>72,016</u>	<u>58,786</u>	<u>72,166</u>	<u>58,879</u>
CURRENT ASSETS					
Stocks		146	138	146	138
Debtors	15	2,235	2,098	1,875	1,914
Deposits and other short term investments		2,171	660	2,171	660
Cash at bank and in hand		1,973	1,044	1,344	495
		<u>6,525</u>	<u>3,940</u>	<u>5,536</u>	<u>3,207</u>
CREDITORS: falling due within one year	16	4,165	1,483	3,180	774
NET CURRENT ASSETS/(LIABILITIES)		<u>2,360</u>	<u>2,457</u>	<u>2,356</u>	<u>2,433</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		74,376	61,243	74,522	61,312
CREDITORS: falling due after more than one year	17	14,190	5,608	14,190	5,608
Provisions for liabilities and charges	18	-	-	-	-
NET ASSETS		<u>60,186</u>	<u>55,635</u>	<u>60,332</u>	<u>55,704</u>
FUNDS OF THE COLLEGE					
	19				
Endowment funds		36,191	35,058	36,191	35,058
Restricted funds		7,696	4,745	7,696	4,745
Unrestricted funds					
Designated funds		334	584	335	584
General funds		15,965	15,248	16,110	15,317
		<u>60,186</u>	<u>55,635</u>	<u>60,332</u>	<u>55,704</u>

*The financial statements were approved and authorised for issue by the Governing Body of
Pembroke College
on: 28 November 2012*

Master: G I Henderson

Bursar: J E Church

Pembroke College
Consolidated Cash Flow Statement
For the year ended 31 July 2012

	Notes	2012 Group £'000	2011 Group £'000
Net cash inflow/(outflow) from operations	25	<u>4,869</u>	<u>1,215</u>
Returns on investments and servicing of finance			
Income from investments		1,499	1,429
Finance costs paid		(409)	(294)
		<u>1,090</u>	<u>1,135</u>
Capital expenditure and financial investment			
New endowment capital received		1,958	369
Payments for tangible fixed assets		(12,372)	(6,342)
Creditor relating to purchase of land		-	(1,728)
Proceeds from sales of tangible fixed assets		-	-
Payments for investments		(2,105)	-
Proceeds from sales of investments		-	-
		<u>(12,520)</u>	<u>(7,701)</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		(1,511)	(660)
Net (purchase) / sale of current asset investments		-	-
		<u>(1,511)</u>	<u>(660)</u>
Financing			
New bank loans		9,000	5,500
Bank loans repaid		-	-
New lease finance		-	-
Capital element of finance lease payments		-	-
		<u>9,000</u>	<u>5,500</u>
Increase/(decrease) in cash in the year		<u>929</u>	<u>(511)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		929	(511)
Transfers to/(from) term deposits and current investments		1,511	660
(Increase)/decrease in loan and lease finance		(9,000)	(5,500)
Change in net funds		<u>(6,560)</u>	<u>(5,351)</u>
Net funds at 1 August		<u>(3,796)</u>	<u>1,555</u>
Net funds at 31 July		<u>(10,356)</u>	<u>(3,796)</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Teaching, research and residential					
Tuition fees - UK and EU students	1,147	-	-	1,147	1,143
Tuition fees - Overseas students	540	-	-	540	466
Other fees	467	-	-	467	458
Other HEFCE support	237	-	-	237	264
Other academic income	382	-	-	382	321
College residential income	1,784	-	-	1,784	1,644
	<u>4,557</u>	<u>-</u>	<u>-</u>	<u>4,557</u>	<u>4,296</u>

The above analysis includes £1,399k received from Oxford University from HEFCE under the CFF Scheme, net of College fees received directly (2011 - £1,504k)

2 TRADING INCOME

	2012 £'000	2011 £'000
Subsidiary company trading income	765	267
Other trading income	-	203
	<u>765</u>	<u>470</u>

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Agricultural rent	-	-	-	-	-
Commercial rent	-	-	48	48	64
Other property income	-	-	-	-	-
Equity dividends	-	-	1,343	1,343	1,357
Income from fixed interest stocks	-	-	-	-	-
Interest on fixed term deposits and cash	40	-	-	40	21
Other investment income	-	-	-	-	-
	<u>40</u>	<u>-</u>	<u>1,391</u>	<u>1,431</u>	<u>1,442</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	36	-	-	36	15
Other interest	2	-	-	2	2
	<u>38</u>	<u>-</u>	<u>-</u>	<u>38</u>	<u>17</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2012 Total £'000	2011 Total £'000
Costs of generating funds					
Fundraising	301	212	61	574	560
Trading expenditure	235	227	256	718	452
Investment management costs	-	-	248	248	246
Total costs of generating funds	536	439	565	1,540	1,258
Charitable expenditure					
Teaching, research and residential	2,960	2,261	1,147	6,368	5,706
Total charitable expenditure	2,960	2,261	1,147	6,368	5,706
Governance costs	-	40	-	40	24
Total resources expended	3,496	2,740	1,712	7,948	6,988

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 the Council.

The teaching, research and residential costs include an amount payable to the College Contribution Scheme of £3k (2011 - £13k).

The support costs are further analysed in note 6 below.

6 SUPPORT COSTS

	Generating Funds £'000	Teaching Research and Residential £'000	2012 Total £'000	2011 Total £'000
Financial, human resources and domestic admin	199	396	595	505
IT	28	165	193	220
Depreciation	90	426	516	404
Loss/(profit) on fixed assets	-	-	-	-
Bank interest payable	-	150	150	30
Other finance charges	248	10	259	264
	565	1,147	1,712	1,423

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity.

Depreciation costs are attributed according to the use made of the underlying assets.

IT costs are attributed according to their utilisation..

Interest and other finance charges are attributed according to the purpose of the related financing.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

7 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	92	73	165	235
Bursaries and hardship awards	202	21	223	204
Grants to other institutions	-	600	600	-
	<u>294</u>	<u>694</u>	<u>988</u>	<u>439</u>

The above costs are included within the charitable expenditure on teaching, research and residential.
The £600k grant to other institutions represents the amount payable to Oxford University Development Trust (OUDT) under the University's Teaching Fund scheme following the donation of £1.2m (including gift aid) by Mr Chris Rokos. Under the scheme £600k is retained by the College and £600k is passed to OUDT. A further £800k is released to OUDT from the University's Teaching Fund.
The joint basic salary cost of the post is then fully funded.

8 GOVERNANCE COSTS

	2012 £'000	2011 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	22	16
Auditor's remuneration - other services	15	5
Legal and other fees on constitutional matters	-	3
Other governance costs	3	-
	<u>40</u>	<u>24</u>

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.

9 STAFF COSTS

	2012 £'000	2011 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,286	3,232
Social security costs	219	209
Pension costs	476	443
Other benefits	86	75
	<u>4,067</u>	<u>3,959</u>

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

	2012 No.	2011 No.
Tuition and research	17.2	17.6
College residential	59.0	50.3
Fundraising	6.8	4.4
Support	9.5	10.1
Total	<u>92.5</u>	<u>82.4</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

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

University Lecturers	20.6	19.1
CUF Lecturers	5.2	6.0
Other teaching and research	4.0	3.6
Other	6.0	6.0
Total	35.8	34.7

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

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.

There were no (2011- none) employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) were in excess of £60,000

10 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	-	24,326	-	1,162	25,488
Additions	-	12,224	-	148	12,372
Disposals	-	-	-	-	-
At end of year	-	36,550	-	1,310	37,860
Depreciation					
At start of year	-	4,422	-	412	4,834
Charge for the year	-	417	-	99	516
On disposals	-	-	-	-	-
At end of year	-	4,839	-	511	5,350
Net book value					
At end of year	-	31,711	-	799	32,510
At start of year	-	19,904	-	750	20,654

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

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	-	24,410	-	1,174	25,584
Additions	-	12,281	-	148	12,429
Disposals	-	-	-	-	-
At end of year	-	36,691	-	1,322	38,013
Depreciation					
At start of year	-	4,425	-	412	4,837
Charge for the year	-	417	-	99	516
On disposals	-	-	-	-	-
At end of year	-	4,842	-	511	5,353
Net book value					
At end of year	-	31,849	-	811	32,660
At start of year	-	19,985	-	762	20,747

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

11 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2012 Total £'000	2011 Total £'000
Valuation at start of year	-	2,229	-	2,229	2,229
Additions and improvements at cost	-	-	944	944	-
Disposal to College fixed assets	-	-	-	-	-
Disposals net proceeds	-	-	-	-	-
Revaluation gains/(losses) in the year	-	-	-	-	-
Valuation at end of year	-	2,229	944	3,173	2,229

The College does not 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.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

12 SECURITIES AND OTHER INVESTMENTS

	2012 £'000	2011 £'000
Group investments		
Valuation at start of year	35,903	33,528
New money invested	1,138	-
Amounts withdrawn	-	-
Reinvested income	-	-
Investment management net fee rebate	23	-
(Decrease)/increase in value of investments	(731)	2,375
Group investments at end of year	36,333	35,903
Investment in subsidiaries	-	-
College investments at end of year	36,333	35,903

Group investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2012 Total £'000	2011 Total £'000
Equity investments	-	655	655	568
Global multi-asset funds	3,128	31,608	34,736	32,928
Property funds	-	-	-	-
Fixed interest stocks	-	-	-	-
Alternative and other investments	-	-	-	-
Fixed term deposits and cash	-	942	942	2,407
Total group investments	3,128	33,205	36,333	35,903

13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Pembroke College Conferences and Events, a company providing conference and other event services on the College premises, and 100% of the issued share capital in Pembroke College Enterprises Limited, a company providing design and build construction services to the College.

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

	Pembroke College Enterprises Limited £'000	Pembroke College Conferences and Events £'000
Turnover	11,538	761
Expenditure	(11,486)	(717)
Donation to College under gift aid	(52)	(63)
Result for the year	0	(19)
Total assets	2,287	369
Total liabilities	(2,282)	(369)
Net funds at the end of year	5	0

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns. The investment return to be applied as income is calculated at 3.5% of the average 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 in 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return	1,016	375	1,391
Income distributions	(572)	(159)	(731)
Capital gains/losses	(115)	(133)	(248)
Investment management costs			
Total return for the year	329	83	412
Amount applied as income for spending	(930)	(311)	(1,241)
Net (decrease) in Unapplied Total Return in the year	(601)		
Unapplied Total Return at start of year	8,961		
Unapplied Total Return at end of year	8,360		
Preserved value of original permanent endowments	20,500		

15 DEBTORS

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Amounts falling due within one year:				
Trade debtors	390	42	90	42
Amounts owed by College members	84	67	84	67
Amounts owed by Group undertakings	-	-	312	281
Loans repayable within one year	66	8	66	8
Prepayments and accrued income	143	371	143	104
Gift aid receivable	89	314	89	314
Dividends receivable	448	478	448	478
Other Debtors	693	502	321	304
Amounts falling due after more than one year:				
Loans	322	316	322	316
	2,236	2,098	1,875	1,914

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

16 CREDITORS: falling due within one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Bank overdrafts	-	-	-	-
Unsecured loan	30	30	30	30
Bank loans	388	-	388	-
Obligations under finance leases	-	-	-	-
Trade creditors	1,779	164	376	154
Amounts owed to College Members	-	-	-	-
Amounts owed to Group undertakings	-	-	1,342	-
Taxation and social security	89	81	101	91
College contribution	3	13	3	13
Accruals and deferred income	1,811	1,158	875	439
Other creditors	65	47	65	47
	4,165	1,483	3,180	774

17 CREDITORS: falling due after more than one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Bank loans	14,112	5,500	14,112	5,500
Unsecured loan	30	60	30	60
Obligations under finance leases	-	-	-	-
Other creditors	48	48	48	48
	14,190	5,608	14,190	5,608

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.

The College has a £20m facility in the form of a revolving credit facility from Santander, which extends until 19 January 2014 when it must be converted to one or more long term loans.

In the year the College took additional loans, under this facility, of £9m making £14.5m in total.

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.

The remaining £1.7m, borrowed under the facility from Santander Corporate Banking (Abbey National Treasury Services plc), has interest payable at a margin of 0.65% over the relevant agreed LIBOR rate.

18 PROVISIONS FOR LIABILITIES AND CHARGES

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
At start of year	-	-	-	-
Charged in the Statement of Financial Activities	-	-	-	-
Settled in the year	-	-	-	-
At end of year	-	-	-	-

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

19 FUNDS OF THE GROUP - MOVEMENTS

	At 1 August 2011 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2012 £'000
Endowment Funds - Permanent						
General College Capital	6,483	1,266	(115)	(267)	(135)	7,232
Damon Wells Trust	2,163	71	-	(71)	(45)	2,118
Stanley Ho Trust	1,158	38	-	(38)	(24)	1,134
Tanaka Fund	1,076	36	-	(97)	(22)	993
TEPCo Trust	1,066	35	-	(35)	(22)	1,044
Lee Trust	1,013	33	-	(33)	(21)	992
Damon Wells Chaplaincy Trust	889	29	-	(29)	(19)	870
Shimizu Trust	780	26	-	(26)	(16)	764
Nuffield Fund	717	24	-	-	(15)	726
Aisbitt Fund	734	24	-	(24)	(15)	719
BTP Fund	691	23	-	(23)	(14)	677
Bandar Trust Fund	628	21	-	(21)	(13)	615
Saleh Trust Fund	626	21	-	(21)	(13)	613
Rokos Physics Fund	-	601	-	-	-	601
Blackstone-Heuston Trust	560	19	-	(19)	(12)	547
Leung Trust	525	17	-	(17)	(11)	514
Burt 1923 Scholarship Fund	505	19	-	(17)	(10)	498
Rhodes Pelczynski Fund	503	17	-	(17)	(10)	493
Other funds < £500k relating to:						
Access	50	52	-	(2)	(1)	99
Buildings	218	7	-	(7)	(4)	214
Bursaries	320	282	-	(12)	(7)	583
Fellowships	3,361	189	-	(46)	(70)	3,434
General purposes	1,507	50	-	(41)	(32)	1,483
Lecture	163	5	-	(5)	(4)	158
Library	10	0	-	(0)	(0)	10
Pensions	321	11	-	(11)	(7)	314
Scholarships, prizes & grants	1,436	58	-	(47)	(30)	1,417
Endowment Funds - Expendable						
Expendable Capital Fund	7,555	375	(133)	(311)	(159)	7,326
Total Endowment Funds	35,058	3,349	(248)	(1,237)	(731)	36,191

19 FUNDS OF THE GROUP - MOVEMENTS

Restricted Funds						
New Quad	3,738	2,820	-	-	-	6,558
Other funds < £500k relating to:						
Buildings	240	21	(2)	66	-	325
Fellowships	437	600	(1,038)	429	-	429
Scholarships, prizes & grants	195	42	(68)	49	-	218
Other funds	135	8	(90)	114	-	166
Total Restricted Funds	4,745	3,491	(1,198)	658	-	7,696

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

19 FUNDS OF THE GROUP - MOVEMENTS (continued)

Unrestricted Funds						
General	15,248	6,390	(6,502)	250		15,386
Total return transfer				579		579
Total general funds	15,248	6,390	(6,502)	829	-	15,965
Designated	584	-	-	(250)	-	334
Total Unrestricted Funds	15,832	6,390	(6,502)	579	-	16,299
Total Funds	55,635	13,230	(7,948)	-	(731)	60,186

Transfers between types of fund comprise:

- The application of £1,241k of income from the unapplied total return.
- At the donors request, the application of income (£4k) from a restricted fund to a fund in permanent endowment.
- The re-designation of the Library Fund of £323k as General Funds
- The transfer of a legacy received in 2010/11 of £73k from General Funds to a designated New Quad Fund.
This arises from a designation in 2011/12 of this legacy in recognition of the interest shown in the project by the legatee.

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	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
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

Endowment Funds - Expendable:

General College Capital	General Expendable Endowment
-------------------------	------------------------------

Restricted Funds:

New Quad	Funds for the building of the new quad
----------	--

Designated Funds

Primarily funds designated for pensions

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

In the year the College became the residual beneficiary of the estate of Mr Peter Farthing deceased, a former Advisory Fellow. Donations received during the year include some payments under life and pension policies. Probate has yet to be granted on the main estate.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	25,952	6,558	-	32,510
Property investments	-	-	3,173	3,173
Securities and other investments	2,177	1,138	33,018	36,333
Net current assets & other long term creditors	2,312	-	-	2,312
Long term loan finance	(14,142)	-	-	(14,142)
	<u>16,299</u>	<u>7,696</u>	<u>36,191</u>	<u>60,186</u>

22 TRUSTEES' REMUNERATION

The trustees of the College comprise the Governing Body, primarily Fellows who are teaching and research employees of the College and who sit on Governing Body by virtue of their employment.

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. Where possible, these salaries are paid on external scales and often are joint arrangements with the University of Oxford.

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 2-3 of the section, Governing Body, Officers and Advisers.

Trustees of the College fall into the following categories:

Professorial Fellow, Tutorial Fellow, College Officer, Fellow by Special Election and Advisory Fellow

Trustees (other than the Master, who lives in the Lodgings during term time and part of the vacation, Advisory Fellows and Professorial Fellows) are eligible for a housing allowance, which is disclosed within the salary figures below.

Some trustees receive additional allowances for additional work carried out as part time College Officers. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,140,571 (2010-11 £1,108,703). The total of pension contributions is £148,025 (2010-11 £141,512).

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

22 TRUSTEES' REMUNERATION (continued)

Remuneration paid to trustees

Range	2011-2012		2010-2011	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£1,000-£1,999			1	1,424
£3,000-£3,999			1	3,677
£4,000-£4,999			1	4,503
£8,000-£8,999	1	8,710		
£9,000-£9,999	2	19,414	1	9,111
£15,000-£15,999	1	15,438		
£16,000-£16,999	1	16,130		
£17,000-£17,999	1	17,927		
£18,000-£18,999	-		7	128,004
£19,000-£19,999	6	114,756	7	137,722
£20,000-£20,999	6	123,692	4	82,723
£21,000-£21,999	3	63,214		
£22,000-£22,999	2	45,109	1	22,041
£24,000-£24,999	1	24,465		
£25,000-£25,999	1	25,447		
£38,000-£38,999			1	38,499
£39,000-£39,999	1	39,305		
£47,000-£47,999			1	47,685
£48,000-£48,999	1	48,602	1	48,628
£49,000-£49,999	1	49,578	1	49,256
£50,000-£50,999	3	150,686	1	50,455
£51,000-£51,999	1	51,405	1	51,344
£52,000-£52,999			1	52,017
£53,000-£53,999			1	53,619
£74,000-£74,999			2	148,628
£75,000-£75,999	3	225,773	1	75,190
£77,000-£77,999	1	76,176	2	154,979
£78,000-£78,999	1	78,861		
£90,000-£90,999			1	90,710
£93,000-£93,999	1	93,888		
	38	<u>1,288,576</u>	37	<u>1,250,215</u>

9 trustees, Professorial Fellows, Fellows by Special Election and Advisory Fellows, are not employees of the College and do not receive remuneration.

Those trustees who receive remuneration, together with other senior employees, are eligible for private health insurance paid for by the College as part of their remuneration.

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

Trustee expenses

No Fellow claimed any expenses for work as a trustee.

Other transactions with trustees

None.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

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 staff. Both schemes are contributory defined benefit schemes. 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, as required by 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 Statement of Financial Activities represents the contributions payable to the schemes in respect of the accounting period.

Universities Superannuation Scheme

The latest actuarial valuation of the USS was carried out at 31 March 2011 to meet the requirement of the Pensions Act 2004, and was published in June 2012. This valuation showed the scheme assets as being sufficient to cover 92% of its liabilities with an overall shortfall of £2,910.2m.

In May 2011 a number of changes to the benefits provided by the Scheme were agreed and came into force on 1st October 2011. These include a change in benefits for new entrants after this date to be provided on a Career Revalued Benefits ("CRB") basis rather than a Final Salary ("FS") basis, an increase in the Normal Retirement Age for future service and new entrants to age 65 and increases to the member contribution rates to 7.5% for FS members and to 6.5% for CRB members.

The actuary established a long term employer contribution rate, after allowing for the scheme changes, of 12.5% of total pensionable salaries for the year to 31 March 2012 with this rate reducing over time. The Trustee has also determined a recovery plan to pay off the shortfall by 31 March 2021 and the USS has agreed with Universities UK, on behalf of all the employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries until 31 March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer element of the future service cost of accruals.

The pension charge for the year includes contributions payable to USS of £190k (2011 - £183k). A copy of the full actuarial valuation report is available on the USS website www.uss.co.uk.

Oxford Staff Pension Scheme

The latest actuarial valuation of the OSPS was carried out at 31 March 2010 and to meet the requirements of the Pension Act 2004. This valuation showed the scheme assets as being sufficient to cover 79% of its liabilities with an overall shortfall of £82.4m.

The actuary has calculated the employer rate of contributions for benefits accruing in the year to 31 March 2011 (i.e. the rate of contribution that would normally be appropriate if the scheme had no surplus or shortfall) as 16.9% of total pensionable salaries (with employee contributions continuing at 6.35%), increasing to a maximum of 18.7% in the year to 31 March 2014.

The Trustees and the University have agreed that the shortfall will be removed through a combination of additional contributions and expected investment returns (over and above the discount rate) and the employers will therefore continue to contribute at a rate of 21.5% of Pensionable Salaries. These contributions are expected to eliminate the shortfall by 30 June 2026.

The pension charge for the year includes contributions payable to OSPS of £283k (2011 - £254k). A copy of the full actuarial valuation report is available on the University of Oxford website www.ox.ac.uk.

24 TAXATION

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

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

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

	2012 £'000	2011 £'000
Net incoming resources for the year	5,282	2,117
Elimination of non-operating cash flows:		
- Investment income	(1,469)	(1,459)
- Endowment donations	(1,958)	(369)
- Financing costs	409	294
Depreciation	516	403
(Surplus)/loss on sale of fixed assets	-	-
Decrease/(Increase) in stock	(8)	(8)
Decrease/(Increase) in debtors	(167)	(512)
(Decrease)/Increase in creditors	2,264	749
(Decrease)/Increase in provisions	-	-
Net cash inflow/(outflow) from operations	4,869	1,215

26 ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	2011 £'000	Cash flow £'000	2012 £'000
Cash at bank and in hand	1,044	929	1,973
Bank overdrafts	-	-	-
	1,044	929	1,973
Deposits and other short term investments	660	1,511	2,171
Bank loans due within one year	-	(388)	(388)
Bank loans due after one year	(5,500)	(8,612)	(14,112)
Finance lease obligations due within one year	-	-	-
Finance lease obligations due after one year	-	-	-
	(3,796)	(6,560)	(10,356)

27 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases (2011 - £nil).

28 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £4,120k (2011 - £14,987k)

Pembroke College
Notes to the financial statements
For the year ended 31 July 2012

29 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 FRS8 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 8, 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 £75,000 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%. The loans are repayable when the trustee leaves the College.

The number of trustees who had loans outstanding from the College at the end of the year, were

	2012	2011
	No.	No.
Scheme 1	6	5
Scheme 2	3	3
	<u>9</u>	<u>8</u>

30 CONTINGENT LIABILITIES

At 31 July 2012 there were no significant contingent liabilities. (2011 - none).

31 POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events,

