

Pembroke College

Annual Report and Financial Statements

Year ended 31 July 2014

PEMBROKE COLLEGE
Annual Report and Financial Statements
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Report of the Governing Body

Year ended 31 July 2014

MEMBERS OF THE GOVERNING BODY

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

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

- (1) Finance and Planning Committee
- (2) Investment Committee
- (3) Academic Committee
- (4) Development Committee
- (5) Domestic and Buildings Committee

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

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

		(1)	(2)	(3)	(4)	(5)	(6)
Dame Lynne Brindley		•			•		
Professor Ken Mayhew	Retired 30.9.2014	•	•		•	•	
Professor Lynda Mugglestone				•			
Professor Mark Fricker	Academic Director	•		•	•		
Professor Alex Kacelnik						•	
Dr Tim Farrant							
Professor Jeremy Taylor	Vicegerent up to 31.7.2014	•		•		•	
Professor Stephen Whitefield							
Professor Helen Small	Vicegerent from 1.8.2014						
Professor Owen Darbshire					•		
Professor Adrian Gregory							
Professor Christopher Melchert							
Professor Raphael Hauser			•				
Professor Ben Davis					•	•	
Professor Stephen Tuck							
Professor Theo van Lint							
Professor Christopher Tuckett	Retired 30 Sep 2013						

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Report of the Governing Body

Year ended 31 July 2014

		(1)	(2)	(3)	(4)	(5)	(6)
Mr John Church	Bursar	
Professor Ariel Ezrachi							
Professor Andre Furger							
Professor Guido Bonsaver		.					
Professor Jonathan Rees							.
Professor Rebecca Williams		.					
Dr Anne Henke	Resigned 30.9.2014						
Professor Linda Flores							
Mr Andrew Seton	Strategic Development Director	.			.		
Professor Irene Tracey							.
Revd Dr Andrew Teal	Chaplain					.	
Dr Brian A'Hearn	Dean from 1.8.2014					.	
Dr Eamonn Molloy							
Professor Clive Siviour	Dean up to 31.07.2014					.	
Mr Roger Boning		.					.
Professor Nick Kruger				.			
Professor Rodney Phillips							.
Professor Nicolai Sinai							
Professor Min Chen							
Professor Hannah Smithson				.			
Mr Julian Schild	Advisory Fellow	.					
Mrs Beatrice Hollond	Advisory Fellow		.				.
Mr Mike Wagstaff	Advisory Fellow						
Professor Sandra Fredman							
Professor Ingmar Posner							
Professor Alfons Weber							
Professor Jeffrey Ketland				.			
Mr Mike Naworynsky	Home Bursar	.			.	.	
Dr Torkel Brekke	Appointed 1 Sep 2013 Resigned 11 Jan 2014						
Professor Tim Woollings	Appointed 1 Sep 2013						

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		(1)	(2)	(3)	(4)	(5)	(6)
Professor Andy Orchard	Appointed 1 Sep 2013						
Professor Andy Baldwin	Appointed 1 Sep 2013						
Dr Peter Claus	Appointed 16 Oct 2013			•			
Professor Justin Jones	Appointed 1 Apr 2014						
Professor Guy Kahane	Appointed 1 Oct 2014						

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

Mr Percival Stanion, Mr Charles MacKinnon, Ms Lisha Patel and Mr Olivier Meyohas served as external members of the Investment Committee.

COLLEGE OFFICERS

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

Dame Lynne Brindley	Master
Professor Jeremy Taylor	Vicegerent
Professor Mark Fricker	Academic Director
Mr John Church	Bursar
Mr Mike Naworynsky	Home Bursar
Mr Andrew Seton	Strategic Development Director
Professor Clive Siviour	Dean

COLLEGE ADVISERS

Investment managers

Sarasin & Partners LLP

Oxford University Endowment Management Ltd

Lazard Asset Management Ltd

Newton Investment Management Ltd

Auditor

Crowe Clark Whitehill LLP

Bankers

The Royal Bank of Scotland plc

Santander UK plc

Solicitors

Blake Morgan LLP

College address

PEMBROKE COLLEGE

Report of the Governing Body

Year ended 31 July 2014

Pembroke College, Oxford OX1 1DW

Website

www.pmb.ox.ac.uk

The Members of the Governing Body present their Annual Report for the year ended 31 July 2014 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 five 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 five Committees, which report to the Governing Body:

- The Finance and Planning Committee develops and reviews future plans, budgets, performance against budget, forecasts and other relevant information.
- The Investment Committee develops the investment policy and oversees the performance of the College's investment portfolio.

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Report of the Governing Body

Year ended 31 July 2014

- The Academic Committee develops and oversees the implementation and management of the College's Academic Policy, covering Admissions and the progression of undergraduates and graduates.
- The Development Committee develops and oversees the College's fundraising activities and alumni relations.
- The Domestic and Buildings Committee develops policy and oversees those matters relating to the day-to-day operations of the College, including buildings maintenance and refurbishment.

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

The day-to-day running of the College is mostly delegated to the College Officers, listed on page 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 and other related issues. Training courses and other forms of career development are provided to members of staff to enhance their skills in risk-related areas.

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

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

The Governing Body 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 guidance produced by the Charity Commission.

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.

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Report of the Governing Body

Year ended 31 July 2014

- 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 2013/14 the College had 394 undergraduates (including 25 visiting students), 168 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.

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

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

During the academic year 2013/14, financial support was available to undergraduates from the UK/EU to assist them with the costs of tuition fees and living costs whilst at the College. In addition to student loans provided by the Student Loans Company which are available to undergraduates from within the UK/EU. Oxford Opportunity Bursaries, Oxford Bursaries and Moritz-Heyman Scholarships are available to undergraduates from lower income households at the College. In the 2013/14 academic year 77 students, or about 23% of the College's Home/EU undergraduates, received bursaries which in total amounted to £219k; of those, 25 also benefitted from fee waivers amounting to £93k. Of the students who received bursaries, 49 (64%) were from households with income of £25k or less.

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

The College awards a number of scholarships and exhibitions each year to undergraduates on course, based on their academic performance. In 2013/14 there were 68 such scholarships and 10 exhibitions awarded to undergraduates. 26 scholarships were awarded to graduates (including four senior scholarships). A number of academic prizes are available to undergraduates and graduates at the College; awarded on the basis of

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academic excellence. These scholarships, exhibitions and prizes serve to encourage academic endeavour at the College. The College also provides travel grants to meet costs involved in undertaking research.

The Governing Body of Pembroke College has considered the processes in place during the financial year ended 31 July 2014 and is satisfied that, with regard to public and publicly accountable funds received from the University of Oxford (out of grants from HEFCE and student fees) for the year ended 31 July 2014, the arrangements for achieving economy, efficiency, effectiveness and value for money were appropriate. In making this confirmation, members of the Governing Body are cognisant of their obligations as Charity Trustees to ensure that funds are correctly applied, in line with the objects of the College.

ACHIEVEMENTS AND PERFORMANCE

On 1st August 2013 Dame Lynne Brindley took up her position as Master. Previously she was the Chief Executive of the British Library from 2000 – 2012.

Professor Justin Jones was appointed as a Fellow and Tutor in Theology, replacing Dr Torkel Brekke who returned to The University of Oslo. Professor Guy Kahane was appointed as a Fellow and Tutor in Philosophy.

In September 2014 Professor Ken Mayhew retired after serving 38 years as a Fellow of the College and an acknowledged leader in the field of research into skills, knowledge and organisational performance. During this time he taught Economics to several generations of students as well as holding a number of different posts and serving on many different committees across the whole spectrum of College activities, and the College recognises this very significant contribution.

Professor Stephen Tuck was appointed to the position of Director of Torch, the Oxford Research Centre in the Humanities which stimulates and supports research activity that transcends disciplinary and institutional boundaries. The College's Bursar, Mr John Church, was elected to the position of Chairman of the Conference of Colleges' Estates Bursars' Committee. These two appointments continue the proud tradition of Pembroke's Fellows taking up leading roles within the Collegiate University.

Three of the College's Fellows were included in the University of Oxford's 2014 Recognition of Distinction Awards. These annual awards of the title of Professor of the University of Oxford are subject to determination by a senior person that each applicant holds an excellent record in research, teaching and good citizenship. Christopher Melchert was appointed as Professor of Arabic and Islamic studies, Jonathan Rees as Professor of Orthopaedic Surgery and Musculoskeletal Science and Stephen Tuck as Professor of Modern History.

Several Fellows published books, including 'The Night Malcolm X Spoke at the Oxford Union: A Transatlantic Story of Antiracist Protest' (Stephen Tuck), 'The Value of the Humanities' (Helen Small) and 'A War of Peoples 1914 – 1919' (Adrian Gregory). Professor Gregory also acted as historical advisor to the BBC for the documentary series entitled 'Britain's Great War' and has been a frequent speaker on the subject in this anniversary year.

Dr Lis Kendall, Senior Research Fellow, received recognition for her work in Egypt and Yemen in recent years. She works with governments and the UN and a full feature on her work was included in the Times Higher Education magazine. Dr Amy Dickman, the Kaplan Senior Research Fellow, was shortlisted for the 2014 Tusk Award for conservation in Africa.

Due to the generous benefaction of H E Mafouz Bin Mafouz, Pembroke Fellows organised a number of interdisciplinary forums including the Oxford Summit on Robotics (Ingmar Posner, Fellow in Engineering) and on The Generation of Sounds (Hannah Smithson, Fellow in Psychology).

The two research centres based in the college, Human Rights for Future Generations (HRFG) and The Changing Character of War (CCW) continued to make very good progress. HRFG have continued to sponsor, research and explore the latest thinking on human rights. CCW are now at the forefront of exploring new concepts and the doctrine of warfare, working with military, political and academic leaders in their fields. In late 2014 CCW was awarded a major contract to provide academic research and support to the Ministry of Defence.

The College is rightly proud of its activities on the Access and Outreach front. During the year, it opened Subject Centres in Theology and Religious Studies in Manchester, and for Science in Crewe.

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Report of the Governing Body

Year ended 31 July 2014

The number of students at the start of the 2013/14 academic year was as follows:

394 undergraduates (including 25 visiting students)

168 graduates

This year the College's results in the Norrington table were disappointing but, at the same time, there were a number of outstanding achievements by Pembroke undergraduates. Our graduate students performed very well. In other areas our students continue to impress on many fronts including sports, particularly rowing, music and drama.

Lectures, music and drama were all enhanced by the Pichette Auditorium, which is one of the key facilities in the College's new buildings which have now been fully operational since April 2013. The new buildings have transformed the experience of all members of the College. The new facilities have also enabled the College to expand significantly its conference business and a wide range of high-quality clients were attracted to the College. Our staff have responded very well to the changes in operational procedures resulting from this expansion. The College has also made good use of technology to enhance and improve its operations.

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 £530k (2013 - £6,700k). After adding investment gains of £256k (2013 - £3,309k) the net increase in funds for the year was £786k (2013 - £10,009k).

Total incoming resources amounted to £11,458k, an decrease on the previous year of £(5,436)k. The decrease was primarily due to a reduction in donations, which were £(6,074)k lower than the previous year. The reduction follows the successful culmination in 2012/13 of the Bridging Centuries Campaign for the new buildings and also in 2012/13 the College received a major legacy. This reduction was offset by an increase in teaching and research income, which rose by £307k to £5,894k, and trading income which rose by £315k to £1.3m as a result of the increase in conference business arising from a full year's availability of the new facilities.

Total resources expended were £10,928k, an increase of £734k. This related to inflation, depreciation costs and increased operating expenses relating to the new buildings.

In the year, the College raised £1,005k as restricted funds. In addition, unrestricted donations amounted to £1,105k. A further £695k was donated to endowment funds

The Total Funds of the College rose in the year from £70,195k to £70,981k.

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 £2.9m, representing retained unrestricted income reserves excluding an amount of £21.9m for the book value of fixed assets less associated funding arrangements.

Designated reserves at the year-end amounted to £1,055k.

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

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Report of the Governing Body

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- 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 £48,926k. The overall total investment return was 3.1% over the year which compared to the College's benchmark return of 6.5% (RPI + 4%), reflecting the challenging market conditions.

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

Currently the College has no plans to change significantly the size and balance of the Fellowship or student body. Operationally the objective is to continue to embed the new way of working with regard to the new facilities and to continue to increase Conference income. Fundraising will focus on annual giving and the need to endow permanently Fellowship posts. The College's outreach activities will remain a key priority. The College will be reviewing its Strategic Plan during 2014/15.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body to prepare financial statements for each financial year 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.

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Report of the Governing Body
Year ended 31 July 2014

Approved by the Governing Body on 3 December 2014 and signed on its behalf by:

L. Brindley
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 2014 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 2014 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: 3 December 2014

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

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Statement of Accounting Policies

Year ended 31 July 2014

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. The College balance sheet and debtors note for 2013 have been corrected for an arithmetic error. The consolidated balance sheet and debtors figures remain unchanged.

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.

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Statement of Accounting Policies

Year ended 31 July 2014

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.

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.

PEMBROKE COLLEGE

Statement of Accounting Policies

Year ended 31 July 2014

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.

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"), with the exception of the presentation of the transfer of Total return Applied to income, detailed below, and in accordance with 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.

Under the Charities SORP, the transfer from Endowment under total return accounting is required to be shown under Net Incoming Resources before Transfers. The Trustees consider that, under total return accounting, this represents a form of income on which college budgets are based, and that it is preferable, in order to present a 'true and fair' picture of the financial affairs of the college, to include this transfer as 'Total Return Applied as Income' in the income section of the SOFA. This has no net effect on the total incoming resources, nor on the net movement of funds. There are no disclosures required by the SORP that have not been provided.

This change in accounting policy has been introduced in these financial statements. No prior year adjustment is required as there is no change to the prior year balance sheet or to the total funds in the SOFA.

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 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		5,831	63	-	5,894	5,587
		<u>5,831</u>	<u>63</u>	<u>-</u>	<u>5,894</u>	<u>5,587</u>
Resources from generated funds						
Legacies and donations		1,105	1,005	695	2,805	8,879
Trading income	2	1,302	-	-	1,302	987
Investment income	3	68	32	1,348	1,448	1,414
Total return applied to income	19	678	785	(1,463)	0	-
Bank and other interest	4	9	-	-	9	27
		<u>3,163</u>	<u>1,822</u>	<u>579</u>	<u>5,564</u>	<u>11,307</u>
Other incoming resources		-	-	-	-	-
Total Incoming Resources		<u>8,994</u>	<u>1,885</u>	<u>579</u>	<u>11,458</u>	<u>16,894</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		548	-	-	548	608
Trading expenditure		1,037	-	-	1,037	951
Investment management costs		-	-	239	239	254
		<u>1,585</u>	<u>-</u>	<u>239</u>	<u>1,824</u>	<u>1,813</u>
Charitable activities	5					
Teaching, research and residential		7,541	1,539	-	9,080	8,362
		<u>7,541</u>	<u>1,539</u>	<u>-</u>	<u>9,080</u>	<u>8,362</u>
Governance costs	8	24	-	-	24	19
Total Resources Expended		<u>9,150</u>	<u>1,539</u>	<u>239</u>	<u>10,928</u>	<u>10,194</u>
Net incoming/(outgoing) resources before transfers		(156)	346	340	530	6,700
Transfers between funds	19	80	(70)	(10)	0	-
Net incoming/(outgoing) resources before other gains and losses		<u>(76)</u>	<u>276</u>	<u>330</u>	<u>530</u>	<u>6,700</u>
Investment gains		38	6	212	256	3,309
Net movement in funds for the year		<u>(38)</u>	<u>282</u>	<u>542</u>	<u>786</u>	<u>10,009</u>
Fund balances brought forward	19	24,897	1,315	43,983	70,195	60,186
Funds carried forward at 31 July	19	<u>24,859</u>	<u>1,597</u>	<u>44,525</u>	<u>70,981</u>	<u>70,195</u>

Pembroke College
Consolidated and College Balance Sheets
As at 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
FIXED ASSETS					
Tangible assets	10	35,056	36,005	35,227	36,176
Property investments	11	2,153	2,229	2,153	2,229
Securities and other investments	12	46,773	45,587	46,773	45,587
		83,982	83,821	84,153	83,992
CURRENT ASSETS					
Stocks		175	167	175	167
Debtors	15	1,879	1,508	1,658	2,013
Deposits and other short term investments		-	-	-	-
Cash at bank and in hand		1,818	254	1,708	(738)
		3,872	1,929	3,541	1,442
CREDITORS: falling due within one year	16	2,263	2,276	1,932	1,791
NET CURRENT ASSETS/(LIABILITIES)		1,609	(347)	1,609	(349)
TOTAL ASSETS LESS CURRENT LIABILITIES		85,591	83,474	85,762	83,643
CREDITORS: falling due after more than one year	17	14,610	13,279	14,610	13,279
Provisions for liabilities and charges	18	-	-	-	-
NET ASSETS		70,981	70,195	71,152	70,362
FUNDS OF THE COLLEGE					
	19				
Endowment funds		44,525	43,983	44,525	43,983
Restricted funds		1,597	1,315	1,597	1,315
Unrestricted funds					
Designated funds		1,055	1,061	1,055	1,061
General funds		23,804	23,836	23,975	24,003
		70,981	70,195	71,152	70,362

*The financial statements were approved and authorised for issue by the Governing Body of
Pembroke College
on: 3 December 2014*

Master: Dame L J Brindley

Bursar: Mr J E Church

Pembroke College
Consolidated Cash Flow Statement
For the year ended 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000
Net cash inflow/(outflow) from operations	25	<u>(318)</u>	<u>2,159</u>
Returns on investments and servicing of finance			
Income from investments		1,625	1,406
Finance costs paid		(818)	(887)
		<u>807</u>	<u>518</u>
Capital expenditure and financial investment			
New endowment capital received		695	4,008
Payments for tangible fixed assets		(229)	(4,584)
Payments for investments		(853)	(5,042)
Proceeds from sales of investments		-	41
		<u>(387)</u>	<u>(5,577)</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		-	2,171
Net (purchase) / sale of current asset investments		-	-
		<u>-</u>	<u>2,171</u>
Financing			
New bank loans		2,000	-
Bank loans repaid		(538)	(991)
New lease finance		-	-
Capital element of finance lease payments		-	-
		<u>1,462</u>	<u>(991)</u>
Increase/(decrease) in cash in the year		<u>1,564</u>	<u>(1,719)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		1,564	(1,719)
Transfers to/(from) term deposits and current investments		-	(2,171)
(Increase)/decrease in loan and lease finance		(1,462)	991
Change in net funds		<u>103</u>	<u>(2,899)</u>
Net funds at 1 August		<u>(13,255)</u>	<u>(10,356)</u>
Net funds at 31 July		<u>(13,152)</u>	<u>(13,255)</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2014

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Teaching, research and residential					
Tuition fees - UK and EU students	1,436	-	-	1,436	1,309
Tuition fees - Overseas students	698	-	-	698	658
Other fees	380	-	-	380	483
Other HEFCE support	190	-	-	190	230
Other academic income	437	63	-	500	279
College residential income	2,690	-	-	2,690	2,628
	<u>5,831</u>	<u>63</u>	<u>-</u>	<u>5,894</u>	<u>5,587</u>

The above analysis includes £2,133k received from Oxford University from publically accountable funds under the CFF Scheme, net of College fees received directly (2013 - £2,194k)

Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £29k (2013 - 21k). These are not included in the fee income reported above.

2 TRADING INCOME

	2014 £'000	2013 £'000
Subsidiary company trading income	1,301	986
Other trading income	1	1
	<u>1,302</u>	<u>987</u>

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Agricultural rent	-	-	-	-	-
Commercial rent	-	-	116	116	49
Other property income	-	-	-	-	-
Equity dividends	65	32	1,232	1,329	1,343
Income from fixed interest stocks	-	-	-	-	-
Interest on fixed term deposits and cash	3	-	-	3	22
Other investment income	-	-	-	-	-
	<u>68</u>	<u>32</u>	<u>1,348</u>	<u>1,448</u>	<u>1,414</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Bank interest	7	-	-	7	23
Other interest	2	-	-	2	4
	<u>9</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>27</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2014

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2014 Total £'000	2013 Total £'000
Costs of generating funds					
Fundraising	316	142	90	548	608
Trading expenditure	301	280	456	1,037	951
Investment management costs	-	-	239	239	254
Total costs of generating funds	617	422	785	1,824	1,813
Charitable expenditure					
Teaching, research and residential	3,520	3,367	2,193	9,080	8,362
Total charitable expenditure	3,520	3,367	2,193	9,080	8,362
Governance costs	-	24	-	24	19
Total resources expended	4,137	3,813	2,978	10,928	10,194

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 £6k (2013 - £3k).

The support costs are further analysed in note 6 below.

6 SUPPORT COSTS

	Generating Funds £'000	Teaching Research and Residential £'000	2014 Total £'000	2013 Total £'000
Financial, human resources and domestic admin	313	443	756	669
IT	23	203	226	210
Depreciation	210	968	1,178	1,089
Loss/(profit) on fixed assets	-	-	-	-
Bank interest payable	-	579	579	629
Other finance charges	239	-	239	258
	785	2,193	2,978	2,855

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 2014

7 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2014 Total £'000	2013 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	131	86	217	189
Oxford Bursary scheme	96		96	96
Bursaries and hardship awards	0	8	8	31
Grants to other institutions	-	600	600	-
	<u>227</u>	<u>694</u>	<u>921</u>	<u>316</u>

The above costs are included within the charitable expenditure on teaching, research and residential.

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £219k in bursaries (12/13 - £202k). Some of those students also received fee waivers amounting to £93k (12/13 - £68k)

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

	2014 £'000	2013 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	17	15
Auditor's remuneration - other services	4	3
Legal and other fees on constitutional matters	-	-
Other governance costs	3	1
	<u>24</u>	<u>19</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

	2014 £'000	2013 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,843	3,568
Social security costs	255	244
Pension costs	590	527
Other benefits	115	87
	<u>4,803</u>	<u>4,426</u>

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

	2014 No.	2013 No.
Tuition and research	21.0	19.0
College residential	61.1	59.4
Fundraising	6.7	6.7
Support	13.7	14.2
Total	<u>102.5</u>	<u>99.3</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2014

9 STAFF COSTS - continued

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

University Lecturers	19.9	19.3
CUF Lecturers	6.0	5.9
Other teaching and research	4.0	4.0
Other	6.8	5.6
Total	36.7	34.8

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 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 (2013 - none).

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	-	38,398	-	4,046	42,444
Additions	-	119	-	110	229
Disposals	-	-	-	-	-
At end of year	-	38,517	-	4,156	42,673
Depreciation					
At start of year	-	5,585	-	854	6,439
Charge for the year	-	812	-	366	1,178
On disposals	-	-	-	-	-
At end of year	-	6,397	-	1,220	7,617
Net book value					
At end of year	-	32,120	-	2,936	35,056
At start of year	-	32,813	-	3,192	36,005

Pembroke College
Notes to the financial statements
For the year ended 31 July 2014

10 TANGIBLE FIXED ASSETS - continued

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	-	38,560	-	4,058	42,618
Additions	-	119	-	110	229
Disposals	-	-	-	-	-
At end of year	-	38,679	-	4,168	42,847
Depreciation					
At start of year	-	5,588	-	854	6,442
Charge for the year	-	812	-	366	1,178
On disposals	-	-	-	-	-
At end of year	-	6,400	-	1,220	7,620
Net book value					
At end of year	-	32,279	-	2,948	35,227
At start of year	-	32,972	-	3,204	36,176

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	2014 Total £'000	2013 Total £'000
Valuation at start of year	-	2,229	-	2,229	3,173
Additions and improvements at cost	-	-	-	-	-
Disposal to College fixed assets	-	(76)	-	(76)	-
Disposals net proceeds	-	-	-	-	(944)
Revaluation gains/(losses) in the year	-	-	-	-	-
Valuation at end of year	-	2,153	-	2,153	2,229

The investment property was valued in October 2014 by Cluttons, who were of the opinion that it had a market basis at a value of £2,153m as at 31 July 2014.

Pembroke College
Notes to the financial statements
For the year ended 31 July 2014

12 SECURITIES AND OTHER INVESTMENTS

	2014 £'000	2013 £'000
Group investments		
Valuation at start of year	45,587	36,334
New money invested	887	5,974
Amounts withdrawn	-	(41)
Reinvested income	-	-
Investment management net fee rebate	44	28
(Decrease)/increase in value of investments	255	3,292
Group investments at end of year	46,773	45,587
Investment in subsidiaries	-	-
College investments at end of year	46,773	45,587

Group investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2014 Total £'000	2013 Total £'000
Equity investments	-	898	898	753
Global multi-asset funds	3,170	40,031	43,201	40,395
Property funds	-	-	-	-
Fixed interest stocks	-	-	-	-
Alternative and other investments	-	-	-	-
Fixed term deposits and cash	-	-	457	2,104
Investment debtor	-	-	2,217	2,335
Total group investments	3,170	40,929	46,773	45,587

The investment debtor of £2,217k (2013- £2,335k) represents monies due to the College from the executors of the estate of Mr Peter Farthing. They comprised a portfolio of shares valued at £612k (2013 -£565k) and agricultural property valued at £1.6m (2013 - £1.7m). The trustees consider the valuations to be a prudent and realistic estimate of the amounts receivable by the College.

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	7	1,303
Expenditure	11	(1,037)
Donation to College under gift aid	-	(266)
Result for the year	(4)	-
Total assets	284	718
Total liabilities	(284)	(718)
Net funds at the end of year	-	-

Pembroke College
Notes to the financial statements
For the year ended 31 July 2014

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			
Income distributions	989	359	1,348
Capital gains/losses	155	57	212
Investment management costs	(180)	(59)	(239)
Total return for the year	<u>964</u>	<u>357</u>	<u>1,321</u>
Amount applied as income for spending	(1,067)	(396)	<u>(1,463)</u>
Net (decrease) in Unapplied Total Return in the year	(103)		
Unapplied Total Return at start of year	10,917		
Unapplied Total Return at end of year	<u>10,814</u>		
Preserved value of original permanent endowments	<u>21,868</u>		

15 DEBTORS

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
Amounts falling due within one year:				
Trade debtors	182	532	121	37
Amounts owed by College members	84	53	84	53
Amounts owed by Group undertakings	-	-	405	1,007
Loans repayable within one year	28	67	28	67
Prepayments and accrued income	839	45	274	38
Gift aid receivable	161	58	161	58
Dividends receivable	315	483	315	483
Other Debtors	-	-	-	-
Amounts falling due after more than one year:				
Loans	270	270	270	270
	<u>1,879</u>	<u>1,508</u>	<u>1,658</u>	<u>2,013</u>

Pembroke College
Notes to the financial statements
For the year ended 31 July 2014

16 CREDITORS: falling due within one year

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
Bank overdrafts	-	-	-	-
Unsecured loan	-	30	-	30
Bank loans	495	388	495	388
Obligations under finance leases	-	-	-	-
Trade creditors	436	48	436	47
Amounts owed to College Members	-	-	-	-
Amounts owed to Group undertakings	-	-	263	-
Taxation and social security	105	209	108	127
College contribution	6	6	6	6
Accruals and deferred income	1,114	1,536	520	1,134
Other creditors	107	59	104	59
	2,263	2,276	1,932	1,791

17 CREDITORS: falling due after more than one year

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
Bank loans	14,475	13,121	14,475	13,121
Unsecured loan	-	-	-	-
Obligations under finance leases	-	-	-	-
Other creditors	135	158	135	158
	14,610	13,279	14,610	13,279

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 and fully repaid in the year.

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

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

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

18 PROVISIONS FOR LIABILITIES AND CHARGES

	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
At start of year	-	-	-	-
Charged in the Statement of Financial Activities	-	-	-	-
Settled in the year	-	-	-	-
At end of year	-	-	-	-

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19 FUNDS OF THE GROUP - MOVEMENTS

	At 1 August 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2014 £'000
Endowment Funds - Permanent						
General College Capital	7,800	195	0	(260)	39	7,774
Damon Wells Trust	2,311	58	0	(77)	11	2,303
Stanley Ho Trust	1,237	31	0	(41)	6	1,233
Tanaka Fund	1,072	27	0	(36)	5	1,068
TEPCo Trust	1,134	28	0	(50)	5	1,117
Lee Trust	1,082	27	0	(36)	5	1,078
Damon Wells Chaplaincy Trust	949	24	0	(32)	5	946
Shimizu Trust	834	21	0	(28)	4	831
Nuffield Fund	815	21	0	(27)	4	813
Aisbitt Fund	784	20	0	(26)	4	782
BTP Fund	739	19	0	(25)	4	737
Bandar Trust Fund	671	17	0	(22)	3	669
Saleh Trust Fund	669	17	0	(22)	3	667
Rokos Physics Fund	656	17	0	(22)	3	654
Rokos Economics Fund		600	0	0	0	600
Theology Fellowship	600	15	0	(20)	3	598
Blackstone-Heuston Trust	597	15	0	(20)	3	595
Leung Trust	561	14	0	(19)	3	559
Burt 1923 Scholarship Fund	543	15	0	(18)	3	543
Rhodes Pelczynski Fund	538	14	0	(18)	3	537
Other funds < £500k relating to:						
Access	118	3	0	(4)	1	118
Buildings	233	6	0	(8)	1	232
Bursaries	638	47	0	(21)	3	667
Fellowships	3,809	159	0	(123)	18	3,863
General purposes	1,628	41	0	(54)	8	1,623
Lecture	172	4	0	(6)	1	171
Library	11	0	0	(0)	0	11
Pensions	343	9	0	(11)	2	343
Scholarships, prizes & grants	1,546	39	0	(51)	7	1,541
Endowment Funds - Expendable						
Expendable Capital Fund	11,893	300	0	(396)	58	11,855
Total Endowment Funds	43,983	1,803	0	(1,473)	212	44,525

19 FUNDS OF THE GROUP - MOVEMENTS

Restricted Funds						
Funds < £500k relating to:						
Buildings	329	8	(1)	(60)	1	277
Fellowships	478	677	(1,087)	583	3	654
Scholarships, prizes & grants	173	100	(130)	66	1	210
Other funds	335	315	(321)	126	1	456
Total Restricted Funds	1,315	1,100	(1,539)	715	6	1,597

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19 FUNDS OF THE GROUP - MOVEMENTS (continued)

	At 1 August 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2014 £'000
Unrestricted Funds						
General	23,836	8,290	(9,137)	783	33	23,804
Total general funds	23,836	8,290	(9,137)	783	33	23,804
Designated funds						
Fellowships (Physics & Theology)	800	20			4	824
Pensions	118	2	(12)	(25)	0	84
Scholarships, prizes & grants	102	3			0	105
Other	41	1			0	42
Designated funds total	1,061	26	(12)	(25)	5	1,055
Total Unrestricted Funds	24,897	8,316	(9,150)	758	38	24,859
Total Funds	70,195	11,219	(10,689)	-	256	70,981

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000
Total return applied to income from SOFA	678	785	(1,463)	0
Transfers between funds from SOFA	80	(70)	(10)	-
Total transfers per transfer column above	758	715	(1,473)	0

The principal transfers between types of fund comprise:

- The application of £1,463k of income from the unapplied total return
- Other transfers principally the reclassification of monies received in 2012/13 from legacies from restricted to unrestricted, correctly reflecting the nature of the gift.

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
Rokos Economics Fund	Supports a Fellowship in Economics
Theology Fellowship	Supports a Fellowship in Theology
Blackstone-Heuston Trust	Supports a Fellowship in Law
Leung Trust	Supports a Fellowship in Law
Burt 1923 Scholarship Fund	Supports hardship and general expenditure
Rhodes Pelczynski Fund	Supports a Fellowship in Politics

Endowment Funds - Expendable:

General College Capital	General Expendable Endowment
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The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College

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21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	35,056	-	-	35,056
Property investments	-	-	2,153	2,153
Securities and other investments	2,804	1,597	42,372	46,773
Net current assets & other long term creditors	1,474	-	-	1,474
Long term loan finance	(14,475)	-	-	(14,475)
	<u>24,859</u>	<u>1,597</u>	<u>44,525</u>	<u>70,981</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 £1,108,761 (2013 - £1,116,312). The total of pension contributions is £165,046 (2013 - £143,229).

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22 TRUSTEES' REMUNERATION (continued)

Remuneration paid to trustees

Range	Number of trustees/ fellows	2013-2014	Number of trustees/ fellows	2012-2013
		Gross remuneration, taxable benefits and pension contributions £		Gross remuneration, taxable benefits and pension contributions £
£3,000-£3,999	1	3,375	2	7,113
£4,000-£4,999	1	4,619		
£5,000-£5,999	1	5,968		
£9,000-£9,999	2	18,049		
£10,000-£10,999			2	20,844
£14,000-£14,999			1	14,255
£17,000-£17,999	2	34,974		
£18,000-£18,999	1	18,745		
£19,000-£19,999	10	198,303	7	136,498
£20,000-£20,999	6	121,463	4	83,492
£21,000-£21,999			5	107,667
£22,000-£22,999	1	22,808	1	22,582
£23,000-£23,999			1	23,488
£25,000-£25,999			1	25,559
£28,000-£28,999	1	29,928		
£33,000-£33,999			1	33,003
£39,000-£39,999	1	39,701	1	39,698
£43,000-£43,999			1	43,105
£47,000-£47,999	1	47,495		
£49,000-£49,999	2	99,800	1	49,352
£50,000-£50,999	2	100,168	2	100,595
£51,000-£51,999			1	51,074
£52,000-£52,999	1	52,104		
£53,000-£53,999			2	106,148
£61,000-£61,999	1	61,996		
£62,000-£62,999			1	62,571
£76,000-£76,999	1	76,924	1	76,453
£77,000-£77,999	1	77,162		
£79,000-£79,999	1	79,101	1	79,162
£81,000-£81,999			1	81,784
£83,000-£83,999	1	83,702		
£95,000-£95,999			1	95,098
£97,000-£97,999	1	97,790		
Total	39	1,274,175	38	1,259,541

12 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 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.

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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 pension charge for the year includes contributions payable to USS of £240k (2013 - £205k).

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 on its technical provisions basis with an overall shortfall of £2.9bn. Subsequent interim updates of this valuation have shown an increasing deficit and in March 2013 the trustees reported a deficit of £11.5bn.

A new formal valuation of the scheme's assets and liabilities at 31 March 2014 is currently being completed. The Trustee anticipates that this will report a continuing substantial deficit; the actuary has provisionally estimated based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014.

In May 2011 a number of changes to the benefits provided by the Scheme were agreed and came into force on 1st October 2011. After allowing for the above scheme changes the actuary established a long term employer contribution rate of 12.6% 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 rate employers will pay an additional 2% of salaries in excess of the blended employer element of the future service costs of accruals.

Going forward three guiding principles have been adopted by the Trustee in order to manage the future scheme funding. These principles draw very clear lines between the support available from participating employers and scheme risk over the horizon of the employer covenant. The guiding principles can be summarised as follows.

There should be no increase in USS's reliance on the covenant of the sector and where opportunities arise, the reliance on the covenant should be reduced if possible.

There should be a high probability that the employer contribution rate will not exceed 18% of salaries over a three year period and there should be a very high probability that the employer contribution rate will not exceed 21% of salaries over the same period. In the longer term the stability of the contribution rate over the same period. In the longer term the stability of the contribution rate should be increased.

The balance sheet of the scheme's participating employers should be able to cover the impact which a rare set of adverse circumstances (tail risk) may have on the future funding position of the scheme.

The Trustee will use these principles to both assess the options put forward by the scheme's stakeholders to respond to the current funding challenges and to manage the scheme funding going forward.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk.

Oxford Staff Pension Scheme

The pension charge for the year includes contributions payable to OSPS of £347k (2013 - £319k).

The latest formal actuarial valuation of the OSPS was carried out at 31 March 2013 and to meet the requirements of the Pension Act 2004, and was published in June 2014. This valuation showed the scheme assets as \$424.3m being sufficient to cover 71% of the liabilities of £597.7m on a technical provisions basis with an overall shortfall of £173.4m.

Following this valuation, the Trustee and the University have agreed to increase the employer contribution rate to the scheme to 23.5% of pensionable salaries, with this increase from the current rate of 21.5% being implemented in steps of 0.5% of pensionable salaries over the three years to 1 August 2017. In addition, the employers will continue to reimburse the scheme in respect of Pension Protection Fund (PPF) and other levies collected by the Pensions Regulator.

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23 PENSION SCHEMES (continued)

These contributions, together with an allowance for the scheme's assets to return to 2.5% per annum above gilt yields are expected to eliminate the technical provision deficit by 30 June 2026, the same date targeted under the recovery plan agreed at the previous valuation. The underlying calculations take into account the estimated improvement in the funding position over the period to 31 May 2014 and the projected reduction in the cost of future benefit accrual from an estimated 19.3% at 31 May 2014 to around 16.5% of pensionable salary by 30 June 2026. This reduction is due to a combination of increases in gilt yields already priced into yield curves at 31 May 2014 and projected changes to the nature of the active membership over the period.

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

24 TAXATION

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

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

	2014 £'000	2013 £'000
Net incoming resources for the year	530	6,700
Elimination of non-operating cash flows:		
- Investment income	(1,457)	(1,441)
- Endowment donations	(695)	(4,008)
- Financing costs	818	887
Depreciation	1,178	1,089
(Surplus)/loss on sale of fixed assets	-	-
Decrease/(Increase) in stock	(8)	(21)
Decrease/(Increase) in debtors	(537)	762
(Decrease)/Increase in creditors	(147)	(1,809)
(Decrease)/Increase in provisions	-	-
Net cash inflow/(outflow) from operations	(318)	2,159

26 ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	2013 £'000	Cash flow £'000	2014 £'000
Cash at bank and in hand	254	1,564	1,818
Bank overdrafts	-	-	-
	254	1,564	1,818
Deposits and other short term investments	-	-	-
Bank loans due within one year	(388)	(107)	(495)
Bank loans due after one year	(13,121)	(1,354)	(14,475)
Finance lease obligations due within one year	-	-	-
Finance lease obligations due after one year	-	-	-
	(13,255)	103	(13,152)

27 FINANCIAL COMMITMENTS

At 31 July 2014 the College had no annual commitments under non-cancellable operating leases (2013 - £nil).

28 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £19k (2013 - £27k).

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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 £100,000 to assist with the purchase of a principal residence or significant extension and are interest free and repayable within 8 years of inception or when the trustee leaves the College, if earlier. These loans are made to assist recruitment and retention. The need for such a loan must be demonstrated to a committee comprising of the Bursar, the Director of Finance and a Fellow who is not remunerated by the College.
- 2) Loans of up to £10k are available to all Fellows and interest is charged at 5% p.a.. The loans are repayable when the trustee leaves the College.

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

	2014	2013
	No.	No.
Scheme 1	4	5
Scheme 2	4	3
	<u>8</u>	<u>8</u>

The wife of a Tutorial Fellow was appointed as a part-time Art Curator and started employment on 14 October 2013 and resigned with effect from 3 February 2014. During the period concerned the remuneration received was in the gross remuneration band £3,000 to £3,999.

30 CONTINGENT LIABILITIES

At 31 July 2014 there were no significant contingent liabilities. (2013 - none).

31 POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events,