

# THE COLLEGE OR HALL OF VALENCE MARY COMMONLY PEMBROKE COLLEGE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales · Charity number 1137492

## Details

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Other names	PEMBROKE COLLEGE
Status	Registered
Legal form	Other
Registered	2010-08-13
Register	<a href="#">View on the Charity Commission register</a>

## Contact

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Address	Pembroke College Cambridge CB2 1RF
Phone	01223338118
Email	<a href="mailto:ENQUIRIES@PEM.CAM.AC.UK">ENQUIRIES@PEM.CAM.AC.UK</a>
Website	<a href="http://www.pem.cam.ac.uk">www.pem.cam.ac.uk</a>

## Activities

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**Objects:** IN ACCORDANCE WITH OUR FOUNDING CHARTER AND STATUTES, TO ADVANCE EDUCATION, RELIGION, LEARNING AND RESEARCH FOR THE PUBLIC BENEFIT BY THE PROVISION SUPPORT AND MAINTENANCE OF A COLLEGE IN THE UNIVERSITY OF CAMBRIDGE WHEREIN MEN AND WOMEN MAY UNDERTAKE STUDY.

**Activities:** The education of undergraduate and graduate students; research work, and the associated provision of accommodation, welfare, and catering services

## Classification

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- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** Other Defined Groups

## Geography

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- **Area of benefit:** CAMBRIDGESHIRE
- Cambridgeshire

## Finances

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Period end	Income	Expenditure	Assets	Employees
2025-06-30	£23,209,000	£23,106,000	£324,120,000	253
2024-06-30	£21,524,000	£19,899,000	£335,125,000	254
2023-06-30	£31,015,000	£19,931,000	£302,468,000	221
2022-06-30	£21,390,000	£19,684,000	£287,598,000	229
2021-06-30	£23,196,000	£16,151,000	£280,913,000	229

## Trustees

Name	Role	Appointed
<b>PROFESSOR ROSALIND BLAKESLEY</b>	Chair	2002-10-15
Ampor Guemes Gonzalez		2026-02-17
Carl Henrik Ek		2023-10-01
Daniela Passolt		2016-10-11
Dr ALEX HOUEN		
Dr ALEXEI SHADRIN		
Dr ANDREA FERRARI		
Dr Alice Raw		2024-10-01
Dr Amanda Prorok		2018-10-01
Dr Anil Madhavapeddy		2015-10-01
Dr Arthur Asseraf		2020-01-21
Dr Assef Ashraf		2018-10-01
Dr Daria Ezerova		2023-01-24
Dr Flavia Mancini		2022-11-08
Dr Guillaume Hennequin		2015-10-01
Dr HILDEGARD DIEMBERGER		2013-11-13
Dr Iza Hussin		2014-10-14
Dr JOHN DURRELL		2013-11-13
Dr Javier Antoran Cabiscol		2024-10-01
Dr Johannes Wanne Kromdijk		2018-10-01
Dr KATRIN ETTENHUBER		
Dr Lorenzo di-Michele		2022-11-08
Dr MARK RODERICK WORMALD		
Dr MINA GORJI		
Dr Maximilian Sternberg		2013-11-13
Dr Menna Clatworthy		2011-10-01
Dr Moreed Arbabzadah		2018-06-26

Name	Role	Appointed
Dr NILANJANA DATTA		
Dr Nicholas Jones		2016-10-01
Dr Nicolo Crisafi		2021-09-01
Dr Paul Cavill		2013-11-13
Dr Rebecca Lammle		2016-10-11
Dr Robert John Mayhew		2021-09-01
Dr STEPHEN JOHN		2012-11-14
Dr Sanne Cottaar		2013-11-13
Dr Sophia Goodfriend		2025-10-14
Dr Steven Ward		2021-10-01
Dr Timothy Thomas Weil		2014-01-20
Dr VIKRAM DESHPANDE		
Eoin McKinney		2024-04-30
Hugo Bronstein		2019-10-01
Kaoutar Ghilani		2023-10-01
Lucy Weinert		2024-04-30
MATTHEW MELLOR		
Matthew Sepehr Mahmoudi		2024-12-03
NICHOLAS JOHN MCBRIDE		
Narine Lalafaryan		2023-10-01
PROF NIGEL COOPER		
PROF NORMAN ANDREW FLECK		
PROFESSOR ALEXANDER WILLIAM TUCKER		
PROFESSOR DAME CLARE GREY FRS		2012-01-10
PROFESSOR DONALD ROBERTSON		
PROFESSOR PAUL WARDE BA PHD		2015-01-27
PROFESSOR REBECCA KILNER		2020-02-11
PROFESSOR STEPHEN O'RAHILLY		

Name	Role	Appointed
PROFESSOR TORSTEN MEISSNER		
Peyvand Firouzeh		2026-05-05
Povilas Lastauskas		2025-10-14
Professor Albert Cardona		2019-05-21
Professor Constantine Yannelis		2024-10-01
Professor Emily Kwok Mei So		2025-10-14
Professor Gabor Csanyi		
Professor MARIA ABREU		2012-01-10
Professor Mark Wyatt		2015-01-27
Professor Mike Hulme Professor		2018-10-01
Professor Renaud Morieux		2021-10-12
Professor SAMUEL BARRETT		
Professor Thies Lindenthal		2023-05-02
Rev JAMES GARDOM		
Sian Helen Nash		2025-10-14
Simon Learmount		

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# Accounts

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PEMBROKE COLLEGE  
CAMBRIDGE CB2 1RF

**Annual Report & Financial Statements  
Year Ended 30 June 2025**

PEMBROKE COLLEGE

Trumpington Street  
Cambridge  
CB2 1RF

**Registered Charity No. 1137492**

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## Pembroke College

### Address

Pembroke College  
Trumpington Street  
Cambridge CB2 1RF

### Registered charity number

1137492

### Professional advisors:

#### Actuaries

Cartwright Group Limited  
Suite 7, 2<sup>nd</sup> Floor  
The Hub  
IQ Farnborough  
Farnborough  
Hants, GU14 7JP

#### Bankers

Barclays Bank Plc  
9-11 St Andrew's Street  
Cambridge  
CB2 3AA

### Principal property managers

Bidwells  
Trumpington Road  
Cambridge CB2 2LD

### Key Officers for the year ended 30 June 2025

Master – Rt. Hon. Lord Smith of Finsbury  
Treasurer & Bursar – Dt A Cates  
Senior Tutor – Professor R Mayhew

### VAT number

214 2442 08

### Auditors

PEM Audit Limited  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

### Principal solicitors

HCR Hewitsons  
Shakespeare House  
42 Market Road  
Cambridge CB5 8EP

Cheffins  
Clifton House  
1-2 Clifton Road  
Cambridge CB1 7EA

**Pembroke College**

**Trustees of the charity for the year ended 30 June 2025**

Rt Hon Lord Smith of Finsbury	Dr IRM Hussin
Professor NA Fleck	Professor P Warde
Professor MC Payne (left 30 September 2024)	Professor M Wyatt
Professor JP Parry (left 30 September 2024)	Professor A Madhava peddy
Dr MR Wormald	Dr G Hennequin
Professor D Robertson	Dr D Passolt
Professor T Meissner	Dr R Laemmler
Professor CJ Young (left 30 September 2024)	Professor N Jones
Mr NJ McBride	Dr M Arbabzadah
Professor N Cooper	Professor M Hulme
Professor V Deshpande	Dr J Kromdijk
Dr DN Tambakis	Dr A Ashraf
Professor N Datta	Professor A Prorok
Professor AC Ferrari	Dr C Tonooka (left 30 September 2024)
Professor RP Blakesley	Professor A Cardona
Professor AW Tucker	Professor H Bronstein
Dr S Learmount	Dr A Asseraf
Professor S Barrett	Professor R Kilner
Professor A Shadrin	Dr R Mayhew
Revd Dr J Gardom	Professor R Morieux
Dr K Ettenhuber	Dr S Ward
Mr M Mellor	Dr C Kamal (left 31 August 2024)
Professor Sir S O'Rahilly	Dr S Mohamed (left 30 September 2024)
Professor G Csanyi	Dr N Crisafi
Professor M Clatworthy	Dr C Bloomfield-Gadelha (left 31 August 2024)
Professor A Houen	Dr T Chaffey (left 31 December 2024)
Professor R Gagne	Dr Z Toprakcioglu
Dr M Gorji	Professor L Di Michele
Dr C Burt	Dr F Mancini
Professor R Johnson (left 30 September 2024)	Dr D Ezerova
Dame Professor C Grey	Professor T Lindenthal
Professor M Abreu	Professor C H Ek
Professor S John	Dr N Lalafaryan
Dr A Cates	Dr K Ghilani
Dr P Cavill	Dr A J D Shaikkea
Professor J Durrell	Professor E McKinney
Dr MJ Sternberg	Dr L Weinert
Dr HGM Diemberger	Dr J Antoran (from 11 June 2024)
Professor S Cottaar	Dr A Raw (from 1 October 2024)
Professor TT Weil	Professor C. Yannelis (from 1 October 2024)
Professor TG Micklem (paused 2024-25)	Dr M Mahmoudi (from 3 December 2024)

## **Pembroke College**

### **Operating and Financial review for the year ended 30 June 2025**

#### **Status**

Marie de St. Pol founded the College or Hall of Valence-Mary in the University of Cambridge, more commonly known as Pembroke College, in 1347. The College is an autonomous, self-governing community of scholars, and one of the thirty-one Colleges within the University of Cambridge. The College is a registered charity, and its registered charity number is 1137492.

#### **Aims and objectives**

The College is an institution of higher education. Its purposes are the promotion of education, religion, learning, research and scholarship, and the personal and intellectual development of its members. The College admits (as junior members) undergraduate and postgraduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its purposes, and it supports teaching and research in the University. In furtherance of its objectives, the College maintains and manages an investment portfolio, including properties. Besides financial and tutorial support, it provides accommodation, catering, and other services to its members and to others. Governance arrangements for the College are set out on page 13.

#### **Overview of the Year**

2024-25 has been a landmark year in the history of Pembroke College. In October 2024, Dolby Court, in the Mill Lane Development opened to students providing 74 new ensuite rooms, including 5 fully accessible rooms and 16 rooms which are leased to Darwin College. It has been sustainably designed with 134 photovoltaic panels producing 25% of the energy needed and runs on air source heat pumps. The Dagmar and Ray Dolby Court was officially opened on 10 May by Dagmar Dolby and her family.

October 2024 also marked the 40<sup>th</sup> anniversary of Admissions of women at Pembroke College which was celebrated throughout the year with a special weekend of events in March to celebrate International Women's day. The College also commissioned award-winning photographer, Jooney Woodward, to take portraits of women from across the Pembroke community, due to be exhibited in October 2025.

On page 27, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows an overall shortfall of £11m. The shortfall is due to a revaluation of Dolby Court, which is valued less once built than the construction cost, resulting in a revaluation loss of £13m. Excluding this exceptional item, the surplus for the year would have been £1.8m (2023-24 surplus £10.6m which included a £9m gain on investments). The SOCIE is a statement of all movements of the net assets of the College between one year and the next. Therefore, it reports all operating income and expenditure, investment gains and losses and other adjustments, e.g. total return and pension adjustments. Investment gains were £1.7m (2023-24 £9m), Mill Lane restricted gifts were £2.6m (2023-24 £2.2m) and the Cambridge Colleges Federated Pension Scheme (CCFPS) actuarial deficit decreased by £176k (2023-24: increase of £30k). The boxed section on page 27 is, in effect, the operating result as reported for the year. Therefore, the College reported a shortfall of £2.2m for 2024-25 compared to a small surplus of £373k for 2023-24. If the USS provision in 2024 of £2.3m is excluded (as it was an exceptional loss), then there is a comparable shortfall of £2.0m.

The Balance Sheet shows net assets of £324.1m (2023-2024 £335.1m) including investments of £118.7m (2023-24 £117.9m) which comprises of £103.2m of General Investment and £15.5m of Private Placements held to cover loans and cash divestment (see note 9).

## Pembroke College

### Operating and Financial review for the year ended 30 June 2025

#### Students

The College admits as students those who have the greatest potential to benefit from the education provided by the College and the University, and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of background.

The year 2024-25 was a year in which application numbers for undergraduate places at Pembroke rose above 1,000 for 126 places (1% increase in applications). The admissions cycle therefore remained high, with competition for places being intense. The College continued to prefer in person interviewing over online for all UK-based applicants, with non-UK applicants being offered the choice of in person or online.

Undergraduate student applications are shown below, showing the level of diversity of students attending Pembroke.

Undergraduates	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Applications	903	891	946	1043	990	1006
Offers	174	154	160	158	164	165
<b>Admitted</b>	<b>138</b>	<b>153</b>	<b>135</b>	<b>135</b>	<b>128</b>	<b>126</b>

#### Applicants

- Number of applicants 1006 (2023-2024 990)
- Arts 469 or 46.7% (2023-2024 46.1%); Science 537 or 53.3% (2023-2024 53.9%)
- Male 490 or 49% (2023-2024 47%), female 497 or 49% (2023-2024 50.7%), other or undeclared 19 or 2% (2023-2024 2.3%)
- Home (including refugees) 751 or 74.2% (2023-2024 77.2%); Overseas 255 or 25.3% (2023-2024 22.8%)
- Home state school applicants – maintained sector 563 or 75% (2023-2024 547 or 71.6%); independent sector 188 or 25% (2023-2024 201 or 26.3%), other 24 or 3.2% (included in maintained) (2023-2024 16 or 2.1%).

#### Offers

- Number of offers made for 2025 entry 165, including five brought forwards, and five offers through the winter pool (c.16.4% of applicants) (2023-2024 164 or 16.6%)
- State educated 74.1%, independent educated 25.9% (of home offers) (2022-23 69.5% and 30.5%)
- Male 46%, female 54%, other/undeclared 0% (2022-2023 40.9% and 56.7%; other/undeclared 2.4%)

The College charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to Student Support. Accommodation and meal charges at reasonable rates.

#### Widening Participation

The College's widening participation work is based around the University's Access and Participation Plan, agreed with the Office for Students. It aims to increase the diversity of the Pembroke student body, so that the College increases its proportion of students from under-represented groups – in particular, students who have been eligible for free school meals, students who are in the first or second Indices of Multiple Deprivation quintiles, and students from Black-British, British-Bangladeshi, or British-Pakistani backgrounds.

The events that we deliver are in accordance with the academic stage; for example, sixth formers benefit from sessions on the application process and super curricular exploration, whilst key stage 4 students receive support on A level selection and early preparation. In addition, we work with teachers to help them more fully understand what we are looking for in applicants, and how our application process works, enabling them to better advise the students with whom they are working. Our programme includes both events that work with school groups, and those with a focus on individual applicants.

## Pembroke College

### Operating and Financial review for the year ended 30 June 2025

The 2024-2025 academic year saw a continuation of a hybrid offering, with some events taking place in person – either in College, or regionally – and others being delivered online. The format was decided according to selection criteria: the more intensive in person events were more specifically targeted at those with widening participation characteristics, with the exception of participation in the university-wide open days.

Of the offers made in the 2024-25 application cycle, 16% were made to students who had engaged in Pembroke’s outreach and recruitment events. 25% of the College’s free school meals offers, 26% of the College’s IMD (Index of Multiple Deprivation) offers, and 32% of the POLAR4 quintile 1 and 2 offers were made to students who had previously participated in our programmes.

Our event programme is frequently reviewed and updated as appropriate; in the coming year it will include masterclasses, personal statement workshops, visit days, open days, remote interview sessions, residential events, virtual tasters, and participation in a collaborative STEM SMART project – amongst other activities. Within total admissions and access costs of £1.2m shown in note 4, £0.6m was spent on Access and Widening Participation activity in the year.

#### Student Support

In order to assist undergraduates entitled to Student Support, the College provides, through the Cambridge Bursary Scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. That scheme was approved by the Office of Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. In total £1m has been provided to students through this and other College provision over the last three years as detailed in the table. The majority of bursary support is provided through the Cambridge Bursary Scheme. In addition, undergraduate studentships have been supported over the same period with £87k of funding.

The College also provides substantial financial support to its postgraduate students. This has amounted to £1.3m over the past three years and includes scholarships to fund fees and living costs, as well as ‘top-up’ funding to fill shortfalls in students’ funding packages.

The College supports all students through a grant scheme to assist with the purchase of books and equipment, attendance at conferences, childcare support, vacation study, counselling and travel grants. Additional external counselling support has stabilised as the College has put internal measures in place to support students more effectively (2 FT nurses during term time) in addition to the other support offered to students such as via the University/College counselling services. The College has recruited a Head of Wellbeing starting in September 2025 which will enhance further the support to our students.

The following table shows the awards made to students over the three years to June 2025:

Support (£'000)	2022-23	2023-24	2024-25	3 Year Total
Postgraduate studentships	432	347	576	1,355
Undergraduate studentships	30	30	27	87
Cambridge Bursaries & other support	329	343	329	1,001
Prizes and scholarships	97	64	72	233
Maintenance/rent rebates	107	128	107	342
Book grants	13	17	19	49
Research expenses	67	22	67	156
Counselling support	69	41	28	138
Vacation study	41	44	47	132
Other awards	66	137	60	263
<b>Total awards</b>	<b>1,251</b>	<b>1,173</b>	<b>1,332</b>	<b>3,756</b>

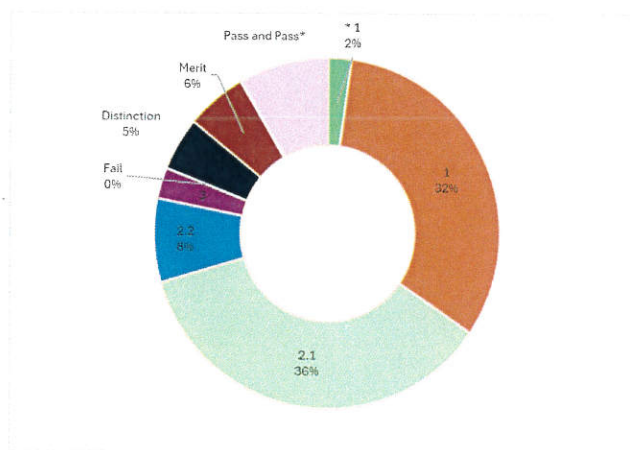
The College’s aims in the area of student funding are to support academic excellence irrespective of financial background, in a diverse and interdisciplinary community. We wish to attract the most able students and enable them to reach their academic potential. This area is managed by the Student Finance Committee reflecting the growing complexity and budget of student funding. In order to achieve the greatest possible accountability, the committee

## Pembroke College Operating and Financial review for the year ended 30 June 2025

shall: 1) support strategic and budgetary planning; 2) allow for adaptability in light of changes to University and national/external funding policy landscape; and 3) respond to the needs of other sections of the College including, for example, the Admissions, Postgraduate, and Development Offices. What is covered by the student funding policy falls into three broad areas: 1) Means tested undergraduate student support, in partnership and in addition to the Cambridge Bursary scheme; 2) non-means tested postgraduate studentships awarded at entry in partnership with the University complemented by a Pembroke MPhil Scheme; 3) General support available to all students. General support for undergraduates includes vacation study grants and academic enrichment, hardship funds, counselling and medical fee support, general travel awards as well as subject specific expenses. Postgraduates have the opportunity to apply for research specific travel and conference support, as well as support-in-kind for Pembroke student led symposia/conferences in Cambridge, academic enrichment and hardship funds; counselling and medical fee support

### Academic performance

It is worth noting that some finalists graduate with an Overall Degree Classification (ODC) that can be a compound of two years' worth of marks rather than final year performance only. In a wide range of subjects, year 2 now counts as 30% of the degree and year 3 as 70% (law, uniquely, has a 50:50 split). Details of the subjects in question can be found here: <https://www.camdata.admin.cam.ac.uk/degree-classes>. This also means that a candidate can attain a different class in their third-year finals exams than their resultant ODC (although this only applies to two individuals this year as last year). This is a very strong performance by our Finalists. It closely mirrors last year's strong results which certainly put the College in the top five on most metrics with a very slight uplift in the percentage attaining a First. The results for finalists are shown on the right:



*Exam results for finalists 2024-2025*

### Our people

In order to fulfil its charitable purposes, the College employs as Fellows: College Lecturers, Supervisors, Director of Studies, Tutors, Clergy and senior administrative officers, all of whom, along with the Master, serve as charity trustees through being members of the College's Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's objectives and their employment directly contributes to the fulfilment of those aims (although paying Fellows who are trustees is allowed by the Charity Commission). The benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally; furthermore, annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge. The total number of Fellows in the year remained the same at 78 (2023-24 78) excluding Life Fellows. The College also employs 175 other FTE members of staff (2024-25 176) to provide the professional, academic and service support necessary to run the College. The College has undertaken many welfare and wellbeing activities over the last few years to support staff and fellows and works to ensure that the package offered is competitive and attractive.

### Equal opportunities

Many matters relating to recruitment and employment matters are covered in the Staff Handbook. The College is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The College's employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on any grounds that are unjustified in terms of equality of opportunities for all.

### Environmental and sustainability

In achieving excellence in teaching and research, Pembroke College manages its activities, buildings and estates to promote environmental sustainability, conserves and enhances natural resources and prevents environmental pollution to bring about a continual improvement in its environmental performance.

The College has an environmental policy statement which is reviewed regularly, endorsed by the Governing Body and is displayed in the College. The College has a Consultative Committee for Sustainability and the Environment which

## **Pembroke College**

### **Operating and Financial review for the year ended 30 June 2025**

meets regularly to discuss related issues which it will then raise to the Governing Body to address.

The College is committed to the decarbonisation agenda and has a strong record in its actions to protect the environment.

#### *Investments:*

The College was the first College to adopt an ethical investment policy (see <https://www.pem.cam.ac.uk/college/about-pembroke/legal-information/investment-statement>). The Fellowship and Senior Management are working with all the College investment managers to increasingly reduce investments in tobacco, armament and fossil fuels. All College investment holdings are declared at regular intervals on its website here: <https://www.pem.cam.ac.uk/college/about-pembroke/legal-information/investment-statement>

#### *Buildings, gardens and lands:*

The College is actively decarbonising its estate and has so far achieved approximately 33%. After being awarded major SALIX grants in the past few years for the Foundress Court building and a hostel, the College replaces gas boilers with air source heat pumps when appropriate.

The College completed the significant Mill Lane development this year and in October 2024 students occupied accommodation in Dolby Court. The rooms are all ensuite, entirely decarbonised and all hot water and heating is supplied through Solar Panels and air source heat pumps. The effect on gas and electricity consumption will be fully realised in the years ahead but the College is already benefitting from a reduction.

The college also owns 170 acres of woodland in Cambridgeshire as well as some allotments offered to Cambridge residents which contribute to the general wellbeing of its members and the general public. To promote biodiversity, its sportsgrounds on the edge of Cambridge have hedgerows of wildflowers; together with dedicated areas of the college set aside to wildflowers to promote insects and bees' population.

#### **Operations**

The College continues to seek sustainable opportunities in the day to day operations. The Catering department continue to encourage the use of re-useable containers and offer a regular plant-based menu. Waste is segregated across the estate and recycling actively managed.

The College is also mindful of the environmental impact of international travel (over 10% of Pembroke Alumni live in North America). Marketing activities are moving towards electronic only, with the alumni Magazine being issued electronically and Christmas cards sent via email.

## Pembroke College

### Operating and Financial review for the year ended 30 June 2025

#### Beneficiaries

The Master and Fellows of the College receive a number of benefits as beneficiaries. These include accommodation, loans, research grants, conference grants and book grants. These benefits are provided with the intention of furthering the College's aims and primarily that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to others in the sector.

#### Funding of the College

Pembroke College is funded from a series of sources. Including philanthropic gifts and International Programmes, the principal elements of income are as follows:

	2020	2021	2022	2023	2024	2025
	£'000	£'000	£'000	£'000	£'000	£'000
Student fees	3,159	3,231	3,319	3,295	3,442	3,448
Members accommodation	1,889	2,108	2,957	3,605	3,607	3,981
Members catering	746	355	625	563	473	585
Conferences	260	12	191	473	624	695
International Programmes	4,435	(1)	1,741	3,735	5,460	5,389
Bequests & Donations	4,148	14,986	10,409	16,257	4,580	5,296
Investment	2,291	1,683	1,747	2,711	2,659	2,933
Other income & academic fees	661	823	403	378	680	882
Total Income (SOCIE)	17,589	23,196	21,391	31,016	21,524	23,209

#### Financial performance

The College manages its finances through a set of management accounts. The College had forecast a small operational surplus in its management accounts and exceeded the target by £50k. There are many interconnected factors for this, including in-year savings on vacant posts, gradual recovery in catering and conferencing from the Covid Pandemic, strong performance from International Programmes despite some adverse inflationary pressure with the increase of NI, insurance and utilities costs.

#### Statement of Comprehensive Income and Expenditure (SOCIE)

The College's income and expenditure is shown in the Statement of Comprehensive Income and Expenditure (SOCIE).

#### Income

The College's total operational income was £23.2 m in 2024-25 (2023-24: £21.5m) with the main increases being in donations and new endowments. The opening of Dolby Court, bringing an addition of 90 student rooms, increased rental income by approximately £400k (note 2). Other income included a £162k surplus from the May Ball which the College treated as an integral part of its activities and the benefit will be transferred to the Student Hardship fund.

The Development Office has been very busy this year with the successful completion of the *Time and Place* campaign and farewell tours from the Master of the US and South East Asia with the Master.

The total income from donations received was £5.3m (2023-24 £4.6m). This includes income detailed on page 27 (donations, endowment gifts and capital donations). The breakdown is as follows:

<i>in £'000</i>	2024-25
Annual Giving & Unrestricted Legacies	682
Capital Gifts - Mill Lane	2,641
Endowment gifts	1,011
Restricted Gifts	962
Total	5,296

## Pembroke College

### Operating and Financial review for the year ended 30 June 2025

#### Expenditure

The operational expenditure was £23.1m in 2024-25 (2023-24 £19.9m). Expenditure in 2023-24 benefitted from an exceptional £2.34m write back from USS Pension, which if it was excluded, would have been a comparable £22.2m. The remaining increase of circa £0.9m for 2024-2025 is mainly due to college members accommodation and catering costs plus FRS 102 pension scheme interest charges.

The College makes pension fund contributions on behalf of its employees to two defined-benefit schemes: the Cambridge Colleges Federated Pension Scheme (CCFPS) on behalf of some non-academic staff, and the Universities Superannuation Scheme (USS) on behalf of academic and academic-related roles. Notes in respect of pension schemes are shown in note 20 of the accounts. New non-academic staff are auto-enrolled into the NOW:Pension Scheme (a defined contribution scheme) when they become eligible.

Payroll costs (academic and non-academic) in note 6 stands at £10.3m (2023-24: £10.1m excluding USS pension provision adjustment of £2.4m); the college also pays the Real Living Wage as a minimum to all staff, including casuals.

#### Gains and losses

In accordance with RCCA accounting treatment, before other gains and losses there is a small operational surplus of £103k (2023-24 £1.6m). It should be noted that the SOCIE does not take into capital expenditure which is shown on the balance sheet and detailed in note 8a, identifying expenditure of £7.1m (2023-2024 £19.6m)

The gain on investments was much less at £1.7m (2023-24 £9.0m)

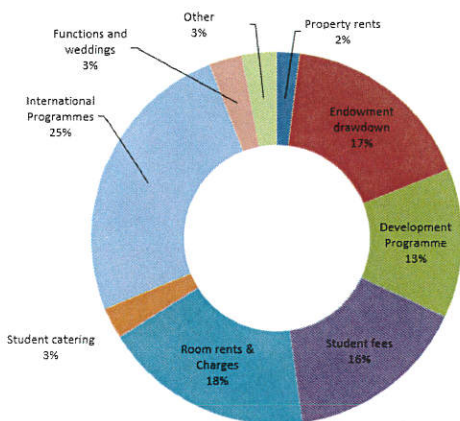
#### Total comprehensive income

Considering the total income before donations and endowments of £17.9m and operational expenditure of £23.1m, it is clear that the College operates at a net loss of £5.2m. However, this can't be taken in isolation as the College funding model is to support this with investment and philanthropic support which includes the 3.5% drawdown from investments which in 2024-2025 was £3.7m.

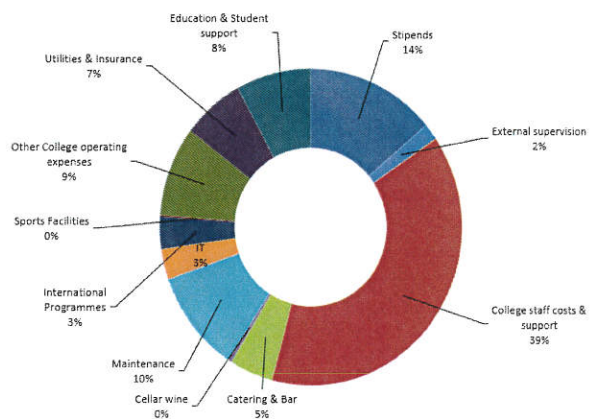
Considering just the Unrestricted values, which represents the unrestricted operational activity, the college reports a net operational shortfall (Deficit before other gains and losses) of £2.2mm (2023-24 shortfall £2.0m excluding USS provision write back).

The total comprehensive income for the year is shown as a deficit of £11.0m (2023-2024 surplus of £32.6m). This is the cumulative total of income including donations and endowment, less expenditure, plus gains on investments and other comprehensive income. The key driver for the deficit is due to the revaluation of Dolby Court which had a recorded build cost of circa £36m, was revalued at £23m once complete, resulting in a £13m loss as a fixed asset.

The charts below give a breakdown by activities for income and expenditure



Income 2024-2025 1



Expenditure 2024-2025 1

**Pembroke College**  
**Operating and Financial review for the year ended 30 June 2025**  
**College Balance Sheet**

The College Balance sheet remained strong in 2025-26

Fixed Assets:

Note 8a sets out the movements in the Fixed Assets which includes £7.1m in capital projects. A description of the key projects is provided below.

2024-25 saw the completion and opening of the student accommodation in Dolby Court with 97 student ensuite rooms. The total project cost was c.£35m covered by funds donated by the Dolby foundation and the College's generous alumni community. The overall Mill Lane development project (including the auditorium, Millstein house) cost c.£83.5m.

The College spent £1.4m refurbishing hostels on 59-61 Lensfield Road and 52 Trumpington Street (including an air source heat pump), W staircase, and the heating system in I&J staircase in College 11 Little Saint Mary's Lane was also refurbished to be used as a students' hostels.

Investments:

The College holds a diversified portfolio covering most asset classes. The value of the investments has grown slightly to £118.7m (2023-24 117.9m). The breakdown of assets in the investments portfolio at 30 June 2025 and 30 June 2024 is as follows:

	2023-24		2024-25	
	£'000	%	£'000	%
Investment vehicle				
Managed cash (other than operating balance)	5,788	5.7%	151	0.1%
Equities	48,922	47.8%	52,751	51.1%
Alternative investments (hedge funds, derivatives)	-	0.0%	-	0.0%
Property funds	10,483	10.2%	12,436	12.0%
College property – shops, land and commercially held properties	35,809	34.9%	36,766	35.5%
Private equity, venture capital	940	0.9%	761	0.7%
Other investments	353	0.3%	349	0.3%
<b>Total investments</b>	<b>102,294</b>	<b>100.0%</b>	<b>103,214</b>	<b>100.0%</b>
<b>Other Investments (note 9)</b>				
Managed cash	50	0.3%	305	2.0%
Equities	15,543	99.7%	15,220	98.0%
<b>Total other investments</b>	<b>15,593</b>	<b>100.0%</b>	<b>15,525</b>	<b>100.0%</b>
<b>Total investment portfolio (note 9)</b>	<b>117,887</b>		<b>118,739</b>	

The College general investments are reviewed regularly using internal and external expertise plus fund management advisors. The College has a challenging long-term target to achieve total return of CPI plus 4%, i.e. to support investment drawdown plus educational inflation. During 2024-25, the investments increased slightly to £103.2m from £102.3m. In addition, the College owns £15.5m of private placements and cash. The College has a target of ensuring the investment portfolio has at least 5% invested in liquid funds (realisable in 0-10 days) and 9% in semi-liquid (realisable in 11 days to 6 weeks). The level of drawdown in 2024-25 was 3.5% of the 4-year weighted average investment level (or 3.6% of the actual investments at 30 June 2024).

To cover loan liabilities, the College disposed of £9.5m of its holding in Vanguard and reinvested £6.6m into Gilts which will mature between 2055 and 2057. The loan repayment terms are described in note 14b (total loans £12.9m).

A number of Churches sit on land within the investment portfolio and within this, the College is liable for the repairs of 2/3 of the Chancel of the church in Soham. The Chancel roof needs extensive repairs and the church has started the formal process to arrange the repairs. It is expected that the college's liability will be c.£500k. This is likely to happen in 2025-26 or early 2026-27. This cost has not yet been included in the accounts as the Church in Soham still has to approve the works.

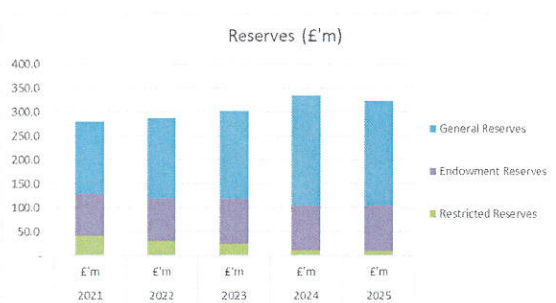
## Pembroke College

### Operating and Financial review for the year ended 30 June 2025

#### Statement of Changes in Reserves

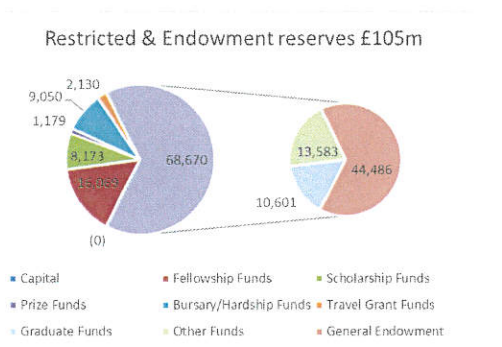
Following several years of steady growth, the Balance Sheet and Statement of Changes in Reserves now shows total reserves decreasing slightly from £335.1m to £324.1m. The key driver for this is the reduction in the unrestricted revaluation reserve of circa £13m, which followed the revaluation of Dolby Court.

Restricted and Endowment reserves result from donations from our alumni and performance of the investment maintaining and/or enhancing capital held. These reserves are important to the College and contribute to supporting specific activities of the College, as detailed below:



#### Reserves policy

The College unrestricted reserves total £218.8m (2023-24 £229.7m) and 68% of its total reserves (page 28). The College revalues its operational properties every 5 years and the next revaluation will take place in June 2029. As the College is a long-term institution, reserves are held with a long-term view, but an element of the unrestricted reserves could be spent as permitted by Statute and Ordinances. The Governing Body has set a minimum level of unrestricted endowment reserves of £35m that it would prefer to remain above, notwithstanding short-term stock market fluctuations.



Restricted reserves total £105.3m which remains the same level as the previous year. The restricted reserves can only be spent on purposes set down by the donor.

The College decided that it has enough cash reserves to absorb the deficit accumulated over COVID as it has since managed small operational surpluses. The College is considered by the Trustees as a going concern. However, it will be important to ensure sufficient unrestricted, i.e. non-Mill Lane and endowment cash, exists to avoid the need for external borrowing. There appears to be no immediate need to change reserves policy and the drawdown policy remains the same.

#### Cash Flow

The cash and cash equivalent position at the end of the year is a deficit of £4.3m (2023-24 £5.2m), a decrease over the year of £9.5m. There are a number of reasons for this significant difference, with the College having finished the Mill Lane project, but some donations are still receivable (c.£5m), the capitalisation and purchase of properties (c.1.5m) and the settlement of creditors from 2023-24 to 2024-25 (differential of c.£2m).

#### Other financial matters of note from the RCCA are:

- Fees in note 1 include College fees from IP Semester students £2.8m, similar to 2023-24.
- Total income from accommodation, catering, and conferences (note 2) was £7.8m, an increase of £0.4m from the previous year. Income from College Members increased by £0.4m following the opening of new student accommodation in Dolby Court. Overall Catering income increased by £100k as footfall from students recovers gradually and more formal halls are being held.
- Note 3a: Investment drawdown was largely unchanged at £3.7m, slightly down from £3.9m. Drawdown is calculated on a 4-year weighted average investment portfolio at 3.5% (2023-24 3.6%).
- Note 4: Education costs increased slightly from £10.3m to £10.5m
- The total costs of accommodation, catering and International Programmes (note 5) increased to £9.7m (2023-24 £9.3m).
- The contribution to the Colleges' Fund was £13k on page 27 (2023-24 £30k).

#### Future potential risks & Challenges

## Pembroke College

### Operating and Financial review for the year ended 30 June 2025

- Poor academic performance – investment in educational resources and people to deliver high quality education; recruitment of high-quality students regardless of background.
- Future of home/EU tuition fees – continue to work with the University and other organisations to achieve the fairest allocation of resources.
- Attracting the best, most able students – ensuring Widening Participation and Admissions processes are well resourced and thorough.
- The degree of reliance on International Programmes income – ensuring the College diversifies IP and other College activities; forward planning to protect this valuable source of income.
- Recruitment and retention of staff and Fellows – investment in staff wellbeing and welfare which are competitive in our market; investment in training for career development and support whilst in post.
- Pension provision for staff and Fellows – ensuring the long-term viability of pension provision across all three schemes.
- Salary pressures – the College is committed to paying at least the Real Living Wage.
- Availability of accommodation – Pembroke has a good stock of housing now, with the ability to house all undergraduates on site and a proportion of postgraduates too. Maintaining and investing in buildings to ensure they are of suitable quality and house all Pembroke students who wish to be housed needs to be actively managed.
- Building projects being completed on time – ensure all major building projects have robust plans and budgets which are monitored over the project life.
- Success of fundraising and alumni relations – investment in the Development Office to enable a comprehensive programme of activities and fundraising to take place.
- Fundraising pledges – ensuring that the pledges turn into real donations over time.
- Investment Performance – subject to market volatility
- Undergraduate tuition fees although to rise for 2025-26 (and by inflation in subsequent years) are still not sufficient to cover education costs.

#### Opportunities ahead

The College completed its flagship Mill Lane development project in 2025 and is now moving to the operational phase, with the intention of maximising the use of the assets in line with the College’s mission. 2025-26 will see a new Master and a new Bursar taking office which gives an opportunity to refresh the College vision and operational strategies.

The *Time & Place* fundraising campaign came to a close in June 2025, and the College will start to form the vision of the next campaign.

The College has recruited a Head of Wellbeing who will be enhancing support to the Pembroke community in line with the University Access and Participation Plan. A Head of Communications will also be recruited to work closely with the new Master and the College on internal and external communication.

As part of the Mill Lane development, 12-13 Mill Lane will be converted into 13 student rooms for occupation by Darwin in Michaelmas 2026, adding to the investment portfolio.

The College’s mission to advance education, religion, learning and research for the public benefit, remains at the forefront of operations and all income generation and cost savings measures support those objectives.

Approved by: .....  ..... Ms S. Nash (Treasurer and Bursar)

Date of approval: 11 November 2025

## **Pembroke College**

### **Corporate Governance and Public Benefit**

#### **Governance**

The Master and Fellows constitute the Governing Body of the College. Junior Member representatives are also invited to the College Meeting for unrestricted business. The Governing Body is constituted and regulated in accordance with the College Statutes. The body is responsible for the strategic direction of the College, for its on-going administration, and for the management of its finances and assets. Meetings are held ten times a year chaired by the Master. Supporting the Governing Body is a range of committees including: Finance & Scrutiny, Development & Engagement, Planning, Fellowship, Investment, Education, and Infrastructure & Services. Responsibilities of the Governing Body are more fully described on page 15.

The Governing Body members are the Trustees of the charity and are listed on page 2. The key officers are listed on page 1. There are Registers of Interests of Trustees and declarations of interest are made systematically at meetings.

#### **Risk Management**

Finance & Scrutiny Committee periodically reviews the major risks the College may be exposed to and keeps a Risk Register. Systems are in place, or are in the process of being established, to mitigate identified risks. The College Health & Safety Policy Statement is reviewed regularly, endorsed by the Governing Body and is displayed throughout the College. As part of this policy, the process for reporting accidents at work is described. The College is in the process of reviewing its general risk register with consideration of the necessary controls to mitigate those risks. The College also carries insurance against key business and financial risks. College departments have carried out their own risk analysis, which includes a review of critical systems and allowable recovery times.

The major risks currently identified relate to:

- Education: this includes the failure to maintain high performance quality teaching resulting in underperforming students
- Operations: this includes the failure to recruit and maintain the right workforce, the safety of the College's buildings and facilities
- IT provision: the failure to maintain resilient systems, strong data protection and cyber security
- Finance: this includes the failure to maintain adequate financial controls and/or records keeping opening the risk of fraud or non-compliance with financial/tax regulations
- Investments: this includes monitoring the performance of the investment portfolio to avoid poor performance and exposure to unmitigated risks
- Compliance and Regulation: this includes health and safety, insurance covers, data protection, Government regulations.

#### **Public benefit statement**

In accordance with its Founding Charter and Statutes, the College's charitable purpose is to advance education, religion, learning and research for the public benefit by the provision, support and maintenance of a College in the University of Cambridge. A full statement of the public benefit it provides has been lodged with the Charity Commission and is summarised as follows:

Education:

- The provision, in conjunction with the University of Cambridge, of an education for at least 760 undergraduate and postgraduate students, which is recognised internationally, as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, preparing them to take full and effective roles in Society.
- The provision of teaching facilities and individual or small group supervisions, as well as pastoral, administrative and academic support through its tutorial systems.
- Social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

Research:

- The provision of Research Fellowships to outstanding academics at an early stage of their careers, enabling them to focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.

## **Pembroke College**

### **Corporate Governance and Public Benefit**

- Supporting the research work of its other Fellows by promoting interaction across disciplines, providing facilities and grants for conferences, research trips, and materials.
- Encouraging visits from outstanding academics from abroad.
- Encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College also carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, it maintains and supports a Chapel and holds services which are open to the general public and visitors. Through the College Dean of Chapel, it supports the emotional, mental and spiritual well-being of all members of the College whatever their faith tradition or none. It is also the Patron of 14 parishes and maintains its historic link with Pembroke House, in Walworth, South London, a Charity whose aims overlap with those of Pembroke College, working in an area of high deprivation.

The College maintains an extensive library and archive, so providing a valuable resource for members of Pembroke, other Colleges, and the University of Cambridge more widely as well as external scholars and researchers and the public through regular exhibitions and the digitization of special collections materials.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research. However, beneficiaries include students and academic staff from other Colleges in Cambridge and from Cambridge University more widely, visiting academic staff from other higher education institutions and visiting school children who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend educational activities in the College such as exhibitions.

#### **Development**

The College has a Development and Corporate Partnership team who provide support for all fundraising, alumni relations and corporate partnership activities of the College. A Development & Engagement Committee consisting of Fellows, oversees Development activities and meets twice a term. There is also a Development Board which includes up to 20, mainly external, members and meets once per term. The College uses an external organisation to assist with the annual telephone fundraising campaign. On a less formal basis, the College also has a number of Alumni Chapters around the world which helps to support and promote the College. During the year, there were no complaints. Pembroke College subscribes to the Fundraising Regulator's Code of Fundraising Practice.

## **Pembroke College Responsibilities of the Governing Body**

The Governing Body is responsible for the administration and management of the College's affairs.

The Governing Body presents audited financial statements for each financial year. These are prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards, including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

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

In causing the financial statements to be prepared, the Governing Body has sought to ensure that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

Any system of internal financial control, however, can only provide reasonable, not absolute, assurance against material misstatement or loss. The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Pembroke College Auditors' Report**

### **Opinion**

We have audited the financial statements of Pembroke College (the 'College') for the year ended 30 June 2025, which comprise of the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2025 and of its 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 and the Statutes of the University of Cambridge.

### **Basis for opinion**

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

### **Conclusion relating to Going Concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Report of the Trustees other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Statutes of the University of Cambridge**

In our opinion, based on the work undertaken in the course of the audit:

- the contribution due from the College to the University has been computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and College and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review.

## **Pembroke College Auditors' Report**

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

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Trustees**

As explained more fully in the responsibilities of the Trustees statement, set out on page 15, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our commercial knowledge and experience of the education sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation;
- in addition, we considered provisions of other laws and regulations which do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's and College's ability to operate or to avoid material penalties;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.
- we made enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- we considered the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- we assessed the susceptibility of the College's financial statements to material misstatement, including how fraud might occur;

## **Pembroke College Auditors' Report**

- laws and regulations identified were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

As a result of the above risk assessment procedures we identified the greatest risk of material misstatement on the financial statements arising from irregularities and fraud to be within the potential for management to override controls together with the risk of fraudulent revenue recognition. We considered the risk of fraudulent revenue recognition to be most prevalent in the completeness and cut off of donation and legacy income and the cut off of conference income. In response to these identified risks, we designed procedures which included, but were not limited to:

- performed analytical procedures to identify any unusual or unexpected relationships;
- performed audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;
- assessed whether judgements and assumptions made in determining the accounting estimates set out on page 25 were indicative of potential bias;
- we used Audit Data Analytics to review the client data for unusual anomalies;
- we performed substantive testing for a sample of donations from Raiser's Edge to supporting documentation to ensure that all income was appropriately recognised in the general ledger in the correct period and any restrictions appropriately recognised;
- we also tested a sample of donations around the year end and discussed ongoing legacies with the Development Office to ensure cut off had been correctly applied;
- we performed substantive testing for a sample of conferences from the booking system to invoice to ensure that all income was appropriately recognised in the general ledger in the correct period;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- we agreed the financial statement disclosures to underlying supporting documentation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence;
- we read the minutes of meetings of those charged with governance;
- we discussed with management actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Pembroke College  
Auditors' Report**

**Use of our report**

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

*PEM Audit Limited*

**PEM Audit Limited**

Registered Auditors  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA  
Date: 18 November 2025

## **Pembroke College Statement of Accounting Policies**

### **1. Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 7.

The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

### **Going concern**

The College's accounts have been prepared on a going concern basis. The College has also prepared a 5-year plan for the period to 2028-29 and will review the budget for 2025-26 on a regular basis with all budget holders. The 5-year rolling plan has been based on high level assumptions regarding inflation and investment performance.

The College reviews its cost base on a regular basis as revenues (especially from student fees) do not increase as quickly as costs and to extend financial headroom. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

### **2. Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and operational property which are included at valuation.

### **3. Basis of consolidation**

The activities of student societies have not been consolidated on the basis that the College does not have control over the operation of the societies.

### **4. Recognition of income**

#### ***Academic fees***

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

#### ***Donations and endowments***

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
3. Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income.

## Pembroke College

### Statement of Accounting Policies

4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

#### **Grant income**

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

#### **Investment income and change in value of investment assets**

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

#### **Total return**

The College invests its endowment investment portfolio and allocates a proportion of the related earnings and capital appreciation to the Statement of Comprehensive Income and Expenditure in accordance with the Total Return concept. The allocation to income is determined by a spending rule which is designed to stabilise annual spending levels and to preserve the real value of the endowment portfolio over time. The income transferred to the income and expenditure account on this total return basis is calculated at 3.50% of the weighed average value of the College's investment portfolio over a 4 year period up to the end of the previous accounting year.

#### **Other income**

Income is received from a range of activities including accommodation, catering conferences and other services rendered.

#### **Cambridge Bursary Scheme**

In 2024-25, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £189k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£113k
Expenditure	£302k

## 5. Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

## 6. Fixed assets

### a) Land and buildings

The valuation of Fixed Asset is reviewed annually with a full valuation at least every five years. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives with a range for the different buildings averaging between 15 and 175 years (the latter being the Auditorium, based in the former United Reformed Church). M&E and fit-out are depreciated on a straight line basis between 5 and 50 years. Freehold land is shown separately and is not depreciated. Assets under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

Exceptionally, Dolby Court (student accommodation) was revalued as of 31 December 2024 as practical completion happened early July, close enough to the 5-yearly valuation of college assets. The valuation was done on the

## Pembroke College Statement of Accounting Policies

Depreciated Replacement Cost method of valuation, which is a cost-based approach that has regards to recent construction costs of similar buildings. Valuation resulted in an impairment of £13m, a level expected for projects of this type (highly sophisticated building on an operational existing site with surrounding buildings).

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

When land and buildings are acquired with the aid of restricted bequests, donations or grants, the policy for accounting for that income is described in accounting policy 4 above.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

### b) Maintenance of buildings

The College has a maintenance plan, reviewed on a yearly basis by Finance & Scrutiny. The cost of major refurbishment may be capitalised. Otherwise the cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

### c) Furniture and equipment

Furniture and equipment is not capitalised if an individual item costs less than £5k. Such expenditure is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Computer equipment/photocopiers	33% p.a. (3 years)
Boats	7% p.a. (15 years)
Heating systems	5% p.a. (20 years)
Steinway piano	2% p.a. (50 years)
Other furniture and equipment	10% p.a. (10 years)

When furniture and equipment is acquired with the aid of specific bequests or donations, the policy for accounting for that income is described in accounting policy 4 above.

### d) Leased assets

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

### e) Heritage assets

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1<sup>st</sup> July 2003 or with a cost below £5k have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1<sup>st</sup> July 2003 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

## **Pembroke College**

### **Statement of Accounting Policies**

#### **7. Investments**

Non-current investment assets are included in the balance sheet at market value. Investments that are not listed on a recognised stock exchange (except estate properties) are carried at net asset value.

While College hostels and other properties treated as operational assets are re-valued as stated in 6a) above, other properties and agricultural land held for their investment value are treated and valued as investment assets. Such investment assets are currently valued annually, at least by desktop valuation, by a professional valuer and revalued on the balance sheet accordingly. Every five years, a full valuation is carried out.

#### **8. Stocks**

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

#### **9. Provisions**

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

#### **10. Taxation**

The College is a registered charity (number 1137492) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

#### **11. Contribution under Statute G, II**

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

#### **12. Pension schemes**

The College participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the

Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income and Expenditure. However, the latest valuation for the scheme showed that no provision was necessary and therefore no liability has been recognised since June 2024.

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College

## **Pembroke College**

### **Statement of Accounting Policies**

values the fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

The College operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

#### **13. Financial instruments**

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **14. Financial assets**

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of ownership are transferred to another party.

#### **15. Financial liabilities**

Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

## **Pembroke College**

### **Statement of Accounting Policies**

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the College enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The College does not apply any hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

#### **16. Contingent liabilities and assets**

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

#### **17. Employment benefits**

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

#### **18. Reserves**

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity.

Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

#### **19. Critical accounting judgements**

The preparation of the College's accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and

## **Pembroke College**

### **Statement of Accounting Policies**

determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Investment property – Properties are revalued to their fair value at the reporting date by the Cheffins and Peck Property Consultants. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. Only those residential properties deemed to be out- with the core housing stock of the College are included in investment property. This status is regularly reviewed.

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due

Retirement benefit obligations – The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 20.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

**Pembroke College**  
**Statement of Comprehensive Income and Expenditure**  
**Year ended 30th June 2025**

	Note	2025				2024			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
<b>Income</b>									
Academic fees and charges	1	6,492	322	-	6,814	6,492	307	-	6,799
Accommodation, catering and conferences	2	7,826	-	-	7,826	7,413	-	-	7,413
Investment income	3a	267	17	2,660	2,944	702	0	1,967	2,669
Endowment return transferred	3a	1,552	2,113	(3,675)	(10)	1,689	2,144	(3,843)	(10)
Other income	3c	309	30	-	339	17	57	-	74
<b>Total income before donations and endowments</b>		<b>16,446</b>	<b>2,482</b>	<b>(1,015)</b>	<b>17,913</b>	<b>16,313</b>	<b>2,508</b>	<b>(1,876)</b>	<b>16,945</b>
Donations		682	962	-	1,644	741	780	-	1,521
New endowments		-	-	1,011	1,011	-	-	136	136
Other capital donations for Mill Lane project		-	2,641	-	2,641	-	2,922	-	2,922
<b>Total income</b>		<b>17,128</b>	<b>6,085</b>	<b>(4)</b>	<b>23,209</b>	<b>17,054</b>	<b>6,210</b>	<b>(1,740)</b>	<b>21,524</b>
<b>Expenditure</b>									
Education	4	7,578	2,942	-	10,520	7,747	2,528	-	10,275
Accommodation, catering and conferences	5	9,702	-	-	9,702	9,383	-	-	9,383
Other expenditure	7d	1,987	-	884	2,871	1,867	-	683	2,551
USS Provision	15	-	-	-	-	(2,340)	-	-	(2,340)
Contribution under Statute G,II		13	(0)	-	13	23	7	-	30
<b>Total expenditure</b>		<b>19,280</b>	<b>2,942</b>	<b>884</b>	<b>23,106</b>	<b>16,681</b>	<b>2,535</b>	<b>683</b>	<b>19,899</b>
<b>(Deficit)/surplus before other gains and losses</b>		<b>(2,152)</b>	<b>3,143</b>	<b>(888)</b>	<b>103</b>	<b>373</b>	<b>3,675</b>	<b>(2,423)</b>	<b>1,625</b>
Gain/(loss) on investments	3a	(693)	40	2,349	1,696	6,005	35	2,961	9,001
Gain/(loss) on disposal of fixed assets		-	-	-	-	-	-	-	-
<b>(Deficit)/surplus for the year</b>		<b>(2,845)</b>	<b>3,183</b>	<b>1,461</b>	<b>1,799</b>	<b>6,378</b>	<b>3,710</b>	<b>538</b>	<b>10,626</b>
<b>Other comprehensive income</b>									
Actuarial profit/(loss) in respect of pension schemes	15	176	-	-	176	30	-	-	30
Unrealised surplus on revaluation of fixed assets		(12,980)	-	-	(12,980)	22,000	-	-	22,000
<b>Total comprehensive income for the year</b>		<b>(15,649)</b>	<b>3,183</b>	<b>1,461</b>	<b>(11,005)</b>	<b>28,408</b>	<b>3,710</b>	<b>538</b>	<b>32,656</b>

The notes on pages 31 to 43 form part of these accounts.

**Pembroke College**  
**Statement of Changes in Reserves**  
**Year ended 30th June 2025**

	Income and expenditure reserve				
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	Total £000
<b>Balance at 1 July 2024</b>	<b>131,624</b>	<b>98,084</b>	<b>11,075</b>	<b>94,342</b>	<b>335,125</b>
(Deficit)/surplus from income and expenditure statement	(2,845)	-	3,183	1,461	1,799
Other comprehensive income	176	-	-	-	176
Release of restricted capital funds spent in the year	4,789	-	(4,789)	-	-
Transfer between reserves	-	-	-	-	-
Revaluation of assets in year	-	(12,980)	-	-	(12,980)
<b>Balance at 30 June 2025</b>	<b>133,744</b>	<b>85,104</b>	<b>9,469</b>	<b>95,803</b>	<b>324,120</b>
			(note 17)	(note 16)	

	Income and expenditure reserve				
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	Total £000
<b>Balance at 1 July 2023</b>	<b>107,246</b>	<b>76,084</b>	<b>25,335</b>	<b>93,804</b>	<b>302,469</b>
(Deficit)/surplus from income and expenditure statement	6,378	-	3,710	538	10,626
Other comprehensive income	30	-	-	-	30
Release of restricted capital funds spent in the year	17,970	-	(17,970)	-	-
Transfer between reserves	-	-	-	-	-
Revaluation of assets in year	-	22,000	-	-	22,000
<b>Balance at 30 June 2024</b>	<b>131,624</b>	<b>98,084</b>	<b>11,075</b>	<b>94,342</b>	<b>335,125</b>
			(note 17)	(note 16)	

	£000	£000	£000	£000	£000
	Unrestricted	Revaluation	Restricted	Endowment	Total
<b>Balance at 1 July 2022</b>	<b>90,731</b>	<b>76,084</b>	<b>30,387</b>	<b>90,396</b>	<b>287,598</b>
(Deficit)/surplus from income and expenditure statement	716	-	13,299	948	14,963
Other comprehensive income	(92)	-	-	-	(92)
Release of restricted capital funds spent in the year	15,801	-	(15,801)	-	-
Transfer between reserves	90	-	(2,549)	2,459	-
<b>Balance at 30 June 2023</b>	<b>107,246</b>	<b>76,084</b>	<b>25,335</b>	<b>93,803</b>	<b>302,469</b>
			(note 17)	(note 16)	

The notes on pages 31 to 43 form part of these accounts.

**Pembroke College**  
**Balance Sheet**  
**Year ended 30th June 2025**

	Note	2025 £000	2024 £000
<b>Non-current assets</b>			
Fixed assets	8a	222,844	231,639
Heritage assets	8b	729	673
Investments	9	118,739	117,887
<b>Total non-current assets</b>		<b>342,312</b>	<b>350,199</b>
<b>Current assets</b>			
Stock	10	680	640
Trade and other receivables	11	8,130	4,894
Cash and cash equivalents	12	0	5,289
Short-term investments	13	-	-
<b>Total current assets</b>		<b>8,810</b>	<b>10,823</b>
<b>Creditors: amounts falling due within one year</b>	14a	<b>(11,302)</b>	<b>(9,641)</b>
<b>Net current assets</b>		<b>(2,492)</b>	<b>1,182</b>
<b>Total assets less current liabilities</b>		<b>339,820</b>	<b>351,381</b>
Creditors: amounts falling due after more than one year	14b	(13,939)	(14,118)
		325,881	337,263
<b>Provisions</b>			
Pension provisions	15	(1,761)	(2,138)
<b>Total net assets</b>		<b>324,120</b>	<b>335,125</b>
<b>Restricted reserves</b>			
Income and expenditure reserve - endowment reserve	16	95,803	94,342
Income and expenditure reserve - restricted reserve	17	9,469	11,075
		105,272	105,417
<b>Unrestricted reserves</b>			
Income and expenditure reserve - unrestricted reserve		133,744	131,624
Revaluation reserve		85,104	98,084
		218,848	229,708
<b>Total reserves</b>		<b>324,120</b>	<b>335,125</b>

The financial statements were approved by the Governing Body on 11th November 2025 and signed on its behalf by:

Approved by:

 Professor R.P. Blakesley (Master)  
 Ms S. Nash (Treasurer and Bursar)

The notes on pages 31 to 43 form part of these accounts.

**Pembroke College**  
**Cash Flow Statement**  
**Year ended 30th June 2025**

	Note	2025 £000	2024 £000
Cash flows from operating activities	21	(5,805)	19,170
Cash flows from investing activities	22	(3,249)	(11,984)
Cash flows from financing activities	23	(579)	(604)
<b>(Decrease) in cash and cash equivalents in the year</b>		<b><u>(9,633)</u></b>	<b><u>6,582</u></b>
Cash and cash equivalents at beginning of the year		5,289	(1,293)
<b>Cash and cash equivalents at end of the year</b>	24	<b><u>(4,344)</u></b>	<b><u>5,289</u></b>

The notes on pages 31 to 43 form part of these accounts.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2025**

1. Academic fees and charges	2025 £000	2024 £000
<b>College fees</b>		
Fee income received at the Regulated Undergraduate rate	1,841	1,896
Fee income received at the Unregulated Undergraduate rate	564	588
Fee income received at the Postgraduate rate	1,043	959
Fee income received at the International Programme rate	2,823	2,751
	<u>6,271</u>	<u>6,194</u>
Other income	430	457
Cambridge Bursary Scheme	113	148
<b>Total</b>	<u><b>6,814</b></u>	<u><b>6,799</b></u>
2. Income from accommodation, catering and conferences income	2025 £000	2024 £000
International Programmes	2,565	2,709
Accommodation	3,981	3,607
College members	402	376
Conferences	585	473
Catering	293	248
College members		
Conferences		
<b>Total</b>	<u><b>7,826</b></u>	<u><b>7,413</b></u>
3a. Endowment and investment income	2025 £000	2024 £000
Income from investments and donations:		
Income drawdown from endowment	3,665	3,833
Freehold land and buildings	1	1
Other interest receivable	266	548
Private placement investment income	-	153
Mill Lane investment income	-	0
	<u><b>3,932</b></u>	<u><b>4,535</b></u>
<b>Summary of total return:</b>		
Income from:		
Land and buildings	774	533
Quoted and other securities and cash	1,886	1,434
Gains on endowment assets:		
Land and buildings	241	974
Quoted and other securities and cash	2,119	5,460
Investment management costs in respect of:		
Land and buildings	(383)	(567)
Quoted and other securities and cash	(501)	(116)
<b>Total return for the year</b>	<u><b>4,136</b></u>	<u><b>7,718</b></u>
<b>Total return transferred to income and expenditure reserve (see above)</b>	<u><b>(3,675)</b></u>	<u><b>(3,843)</b></u>
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	<u><b>461</b></u>	<u><b>3,875</b></u>
Gains on other assets:		
Quoted and other securities and cash	<u><b>(664)</b></u>	<u><b>2,567</b></u>
3b. Investment management costs	2025 £000	2024 £000
Quoted securities - equities	371	6
Other investments	130	110
	<u><b>501</b></u>	<u><b>116</b></u>
3c. Other income	2025 £000	2024 £000
Income from sports facilities and equipment	14	17
Other income	325	57
	<u><b>339</b></u>	<u><b>74</b></u>

**Pembroke College**  
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4. Education expenditure	2025 £000	2024 £000
Teaching	2,557	2,425
Tutorial	1,859	1,755
Admissions and Access	1,174	1,149
Scholarships and awards	749	811
Other educational facilities	2,142	1,984
Academic community	<u>918</u>	<u>850</u>
	9,399	8,974
Research	1,121	1,301
<b>Total</b>	<b><u>10,520</u></b>	<b><u>10,275</u></b>

Total expenditure on student support during the year included above was £1.3m (2024 £1.2m).

5. Accommodation, catering and conferences expenditure	2025 £000	2024 £000
International Programmes	1,955	2,029
Accommodation	5,161	4,870
College Members		
Conferences	105	99
Catering	2,220	2,132
College Members		
Conferences	261	253
<b>Total</b>	<b><u>9,702</u></b>	<b><u>9,383</u></b>

**6. Staff costs**

	Academic 2024-25 £000	Non-academic 2024-25 £000	Total 2024-25 £000	Total 2023-24 £000
<b>Staff costs</b>				
Salaries	1,538	7,143	8,681	8,393
National insurance	137	665	802	708
Other pension costs (see note 20)	170	627	797	997
Net change in USS deficit recovery provision (see Note 15)	-	-	-	(2,435)
Sub-total Pensions	<u>170</u>	<u>627</u>	<u>797</u>	<u>(1,438)</u>
	<b><u>1,845</u></b>	<b><u>8,435</u></b>	<b><u>10,280</u></b>	<b><u>7,663</u></b>

Average staff no.s (full time equivalent)	2024-25	2024-25	2023-24	2023-24
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	74	2	74	2
Non-academic	4	173	4	174
	<b><u>78</u></b>	<b><u>175</u></b>	<b><u>78</u></b>	<b><u>176</u></b>

The number of officers and employees of the College, including the Head of House, who received remuneration in the following ranges was:

	2025	2024
£100,000 - £109,999	2	0
£110,000 - £119,999	0	0
£120,000 - £129,999	1	1
£130,000 - £139,999	1	1
£140,000 - £149,999	2	3
£150,000 - £159,999	1	0

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

Of the 78 (2023-24 - 78) College Fellows and Trustees declared above who are members of the Governing Body, 78 (2023-24 - 75) receive remuneration. The Trustees receive no emoluments in their role as trustees of the charity.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated remuneration paid to key management personnel.

During the year, remuneration paid to Trustees in their capacity as Key Management Personnel were:

	2025 £000	2024 £000
Aggregate remuneration	<u>2,369</u>	<u>2,315</u>

**Pension Costs**

The total pension costs included in staff costs for the year (see table above) was:

	2025 £000	2025 £000	2025 £000	2024 £000	2024 £000	2024 £000
	Employers Contributions	Provision (Note 20d)	Total 2023-24	Employers Contributions	Provision (Note 20d)	Total 2023-24
USS	445	-	445	642	(2,435)	(1,793)
CFPS	53	-	53	74	-	74
Now Pensions	299	-	299	281	-	281
	<b><u>797</u></b>	<b><u>-</u></b>	<b><u>797</u></b>	<b><u>997</u></b>	<b><u>(2,435)</u></b>	<b><u>(1,438)</u></b>

**Pembroke College**  
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**7a. Analysis of expenditure by activity 2024-25**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2025 £000
Education (Note 4)	5,318	4,487	715	10,520
Accommodation, catering, and conferences (Note 5)	3,893	3,927	1,882	9,702
Other expenditure (Note 7d)	1,069	739	179	1,987
Investment costs (Note 7d)	-	884	-	884
FRS 102 pension schemes interest charge	-	-	-	-
Contribution under Statute G,II	-	13	-	13
	<b>10,280</b>	<b>10,050</b>	<b>2,776</b>	<b>23,106</b>

Loan interest payable for the year to 30th June 2025 was £427k (2023-24: £472k)  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £555k.

**7b. Analysis of expenditure by activity 2023-24**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2024 £000
Education (Note 4)	5,227	4,357	691	10,275
Accommodation, catering, and conferences (Note 5)	3,751	3,815	1,817	9,383
Other expenditure (Note 7d)	1,025	670	173	1,868
Investment costs (Note 7d)	-	683	-	683
FRS 102 pension schemes interest charge	(2,340)	-	-	(2,340)
Contribution under Statute G,II	-	30	-	30
	<b>7,663</b>	<b>9,555</b>	<b>2,681</b>	<b>19,899</b>

Loan interest payable for the year to 30th June 2024 was £472k.  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £504k.

**7c. Auditors' remuneration**

	2025 £000	2024 £000
Audit fees payable to the College's external auditors	37	36
Other fees payable to the College's external auditors	1	1
	<b>38</b>	<b>37</b>

**7d. Other expenditure**

	2025 £000	2024 £000
Interest charges	58	460
Investment management fees	515	683
Loan interests	369	390
USS pension interest charge	-	55
FRS 102 pension schemes interest charge	-	-
Other expenditure	1,929	963
	<b>2,871</b>	<b>2,551</b>

**8a. Fixed assets**

	Land £000	College site Buildings £000	Assets in Course of Construction £000	College site Foundress Court £000	Houses for College Members £000	Sportsground/Boathouse £000	Furniture & Equipment £000	Total 2025 £000	Total 2024 £000
<b>Cost/valuation</b>									
At 1 July 2024	94,342	66,836	32,556	15,152	20,321	994	4,302	234,503	205,268
Additions	-	334	6,349	9	287	-	159	7,138	19,632
Disposals	-	-	(314)	-	-	-	-	(314)	-
Transfer to Fixed Assets	-	36,737	(37,300)	-	151	-	412	0	-
Transfer to investments	-	-	-	-	137	-	-	137	0
Revaluation	-	(12,980)	-	-	-	-	-	(12,980)	9,603
Cost/valuation as at 30 June 2025	<b>94,342</b>	<b>90,927</b>	<b>1,291</b>	<b>15,161</b>	<b>20,896</b>	<b>994</b>	<b>4,873</b>	<b>228,484</b>	<b>234,503</b>
<b>Depreciation</b>									
At 1 July 2024	-	(0)	-	(0)	0	0	2,864	2,864	12,580
Provided for the year	-	1,728	-	343	458	39	208	2,776	2,681
Disposals	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	(12,397)
Depreciation at 30 June 2025	<b>-</b>	<b>1,728</b>	<b>-</b>	<b>343</b>	<b>458</b>	<b>39</b>	<b>3,072</b>	<b>5,640</b>	<b>2,864</b>
<b>Net book value</b>									
At 30 June 2025	<b>94,342</b>	<b>89,199</b>	<b>1,291</b>	<b>14,818</b>	<b>20,438</b>	<b>955</b>	<b>1,801</b>	<b>222,844</b>	<b>231,639</b>
At 30 June 2024	<b>94,342</b>	<b>66,836</b>	<b>32,556</b>	<b>15,152</b>	<b>20,321</b>	<b>994</b>	<b>1,438</b>	<b>231,639</b>	<b>192,688</b>

The insured value of freehold land and buildings as at 30 June 2025 was £305m (2023-24 £249m). All of the above assets are used for Collegiate purposes.

**Pembroke College**  
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**8b. Heritage assets**

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2003 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for those on a cost-benefit basis, they have not been capitalised. As a result, the total cost included in the balance sheet is partial.

Amounts for the current and previous four years were as follows:

	2024 £000	2024 £000	2023 £000	2022 £000	2021 £000
<b>Total value 1st July</b>	673	673	644	574	481
Acquisitions purchased with specific donations	-	-	-	-	-
Acquisitions purchased with College funds	-	-	-	70	13
Total cost of acquisitions purchased	-	-	-	70	13
Value of acquisitions by donation	56	-	29	-	80
<b>Total acquisitions capitalised in year</b>	<b>56</b>	<b>-</b>	<b>29</b>	<b>70</b>	<b>93</b>
<b>Total value 30th June</b>	<b>729</b>	<b>673</b>	<b>673</b>	<b>644</b>	<b>574</b>

**9. Investments**

	2025 £000	2024 £000
Balance at 1 July	69	117,887
Additions	8,196	4,159
Disposals	(9,914)	(11,100)
Transfer to/from Fixed Asset	(137)	-
Gain	1,552	8,905
(Decrease)/Increase in cash held by investment managers	1,167	1,491
Less: change in amount owed to Pembroke House	(12)	(12)
<b>Balance at 30 June</b>	<b>118,739</b>	<b>117,887</b>
General investments	103,214	102,294
Other Investments	15,525	15,593
<b>Balance at 30 June</b>	<b>118,739</b>	<b>117,887</b>

Long-term investments:

	2025 £000	2024 £000
Commercial shops	3,149	2,505
Agricultural land	11,272	10,939
Residential property	22,345	22,365
<b>Total investment properties</b>	<b>36,766</b>	<b>35,809</b>
Equities	52,794	60,482
Other investments	21,979	15,221
Cash in hand and at investment managers	7,152	6,312
Loans to Fellows	349	353
Less: amount owed to Pembroke House	(301)	(290)
	<b>118,739</b>	<b>117,887</b>

**10. Stock**

	2025 £000	2024 £000
Kitchen	26	34
Cellar wine	637	583
Merchandising & Others	17	23
	<b>680</b>	<b>640</b>

**Pembroke College**  
**Notes to the accounts**  
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<b>11. Trade and other receivables</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	192	169
Members of the College	456	449
Debtors and prepayments - Other	4,418	2,603
Debtors due over 1 year	3,064	1,673
Trade and other receivables due within one year	<u>8,130</u>	<u>4,894</u>

<b>12. Cash and cash equivalents</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Current accounts	-	-
Bank deposits	-	5,289
Cash	0	0
Less: amount owed to Pembroke House	-	-
	<u>0</u>	<u>5,289</u>

<b>13. Short-term investments</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Mill Lane deposits	-	-
	<u>-</u>	<u>-</u>

<b>14a. Creditors: amounts falling due within one year</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts (see note below)	4,344	-
Bank loan	163	153
Trade creditors	586	2,223
Members of the College	950	1,078
Accruals and deferred income	4,769	5,633
University fees	5	2
Contribution to College Fund	13	30
Taxes and social security	-	58
Holiday & Bonus accrual	283	240
Other creditors	189	224
	<u>11,302</u>	<u>9,641</u>

<b>14b. Creditors: amounts falling due after more than one year</b>	<b>2025</b>	<b>2024</b>
	<b>£000</b>	<b>£000</b>
Bank loan	708	871
Members of the College	331	347
Other loans	12,900	12,900
	<u>13,939</u>	<u>14,118</u>

The original unsecured bank loan was for £2.3 million repayable over 20 years, at a floating rate of interest for the two years until 30 January 2012 and a fixed rate of 6.21% p.a. thereafter.

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £2.9 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £10 million. The loans are unsecured and repayable during 2058, and are at a fixed interest rate of 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

## Notes to the accounts

### Year ended 30th June 2025

#### 15. Pension provisions

	CCFPS £000	USS £000	2025 £000	2024 £000
<b>(Deficit) in schemes in beginning of the year</b>	(2,138)	0	(2,138)	(4,582)
Movement in year:				
Current service cost	(87)	-	(87)	(102)
Contributions paid by College	398	-	398	251
Other finance income	(110)	-	(110)	(170)
Actuarial Gain/(Loss)	176	-	176	30
Net change in underlying assumptions (see note 6)	-	-	-	-
Change in underlying assumptions	-	-	-	2,340
USS deficit contributions payable	-	-	-	95
<b>(Deficit) in schemes at end of the year</b>	<b>(1,761)</b>	<b>0</b>	<b>(1,761)</b>	<b>(2,138)</b>
	note 20b	note 20a		

#### 16. Endowment funds

	Restricted Permanent £000	Unrestricted Permanent £000	2025 Total £000	2024 Total £000
<b>Balance at beginning of year:</b>				
Capital	49,646	44,696	94,342	93,803
	<u>49,646</u>	<u>44,696</u>	<u>94,342</u>	<u>93,803</u>
New donations and endowments	92	919	1,011	136
Transfers	1,336	(1,336)	-	-
Increase in market value of investments	243	207	450	403
<b>Balance at end of year</b>	<b><u>51,317</u></b>	<b><u>44,486</u></b>	<b><u>95,803</u></b>	<b><u>94,342</u></b>
<b>Representing:</b>				
Fellowship Funds	14,075	-	14,075	14,008
Scholarship Funds	6,879	-	6,879	6,796
Prize Funds	1,065	-	1,065	1,045
Bursary/Hardship Funds	7,392	-	7,392	7,348
Travel Grant Funds	1,807	-	1,807	1,798
Graduate Funds	8,934	-	8,934	8,877
Other Funds	11,165	-	11,165	11,108
General endowments	-	44,486	44,486	43,360
<b>Total</b>	<b><u>51,317</u></b>	<b><u>44,486</u></b>	<b><u>95,803</u></b>	<b><u>94,342</u></b>
<b>Analysis by asset:</b>				
Property	15,890	13,774	29,664	28,657
Investments	32,336	28,033	60,369	60,634
Cash	3,091	2,679	5,770	5,051
	<u>51,317</u>	<u>44,486</u>	<u>95,803</u>	<u>94,342</u>

Pembroke College  
Notes to the accounts  
Year ended 30th June 2025

17. Restricted reserves

	Capital grants unspent £000	Unspent Permanent £000	Restricted Expendable £000	2025 Total £000	2024 Total £000
<b>Balance at beginning of year:</b>					
Capital	-	3,392	4,711	8,103	7,423
Accumulated income	2,148	456	368	2,972	17,912
	<u>2,148</u>	<u>3,848</u>	<u>5,079</u>	<u>11,075</u>	<u>25,335</u>
Transfers between funds in year	-	-	-	-	-
Increase in market value of investments	-	18	22	40	35
Capital grants	2,641	-	-	2,641	2,922
Donations	-	-	1,314	1,314	1,144
Endowment return transferred	-	1,946	167	2,113	2,144
Other investment income	-	-	17	17	0
Expenditure	0	(1,645)	(1,297)	(2,942)	(2,535)
Capital grants utilised	(4,789)	-	-	(4,789)	(17,970)
Movement in the year	<u>(2,148)</u>	<u>319</u>	<u>223</u>	<u>(1,606)</u>	<u>(14,260)</u>
<b>Balance at end of year</b>	<b>(0)</b>	<b>4,167</b>	<b>5,302</b>	<b>9,469</b>	<b>11,075</b>
<b>Balance at end of year:</b>					
Capital	-	3,698	4,720	8,418	8,103
Accumulated income	(0)	469	582	1,051	2,972
	<u>(0)</u>	<u>4,167</u>	<u>5,302</u>	<u>9,469</u>	<u>11,075</u>
<b>Representing:</b>					
Fellowship Funds	-	666	1,328	1,994	2,272
Scholarship Funds	-	1,078	217	1,295	1,348
Prize Funds	-	112	2	114	128
Bursary/Hardship Funds	-	1,035	623	1,658	1,363
Travel Grant Funds	-	239	84	323	356
Graduate Funds	-	779	888	1,667	1,558
Other Funds	(0)	258	2,160	2,418	4,050
<b>Total</b>	<b>(0)</b>	<b>4,167</b>	<b>5,302</b>	<b>9,469</b>	<b>11,075</b>

18. Memorandum of unapplied total return

	2025 £000	2024 £000
Included within reserves the following amounts represent the unapplied total return of the College:		
Unapplied total return at the beginning of the year	54,028	49,468
Unapplied total return for the year (see note 3a)	461	3,875
<b>Unapplied total return at end of year</b>	<b><u>54,489</u></b>	<b><u>53,343</u></b>

19. Capital commitments

	2025 £000	2024 £000
Capital commitments contracted for at 30th June	<u>731</u>	<u>7,161</u>

Other commitments

The College has committed to invest in various private equity/venture capital funds over the next few years. Commitments, excluding distributions which may be made total \$290k (c £220k).

**Pembroke College**  
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**20. Pension schemes**

**(a) Universities Superannuation Scheme**  
**PENSION SCHEME FUNDING POSITION**

A deficit recovery plan was put in place as part of the 2020 valuation. It required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

The latest available complete actuarial valuation of the Retirement Income Builder, the defined benefit part of the scheme, is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method.

Since the institution cannot identify its share of the Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1bn and the value of the scheme’s technical provisions was £65.7bn indicating a surplus of £7.4bn and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](https://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Discount rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.
Pension increases (all subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a ‘soft cap’ of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme’s experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2023 valuation</b>
Mortality base table	101% of S2PMA ‘light’ for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.40% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% p.a. for males and 1.60% p.a. for females

The current life expectancies on retirement at age 65 are:	2025	2024
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.4
Males currently aged 45 (years)	25.7	25.6
Females currently aged 45 (years)	27.2	27.2

**Pembroke College**  
**Notes to the accounts**  
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**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme**

The liabilities of the plan have been calculated, at 30 June 2025, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date were as follows:

	2025 % p.a.	2024 % p.a.
Discount rate	5.1	5.2
Increase in salaries	2.4	2.85
RPI assumption	2.9	3.35
CPI assumption	1.9	2.35
Pension increases in payment (RPI Max 5% p.a.)	2.85	3.15
Pension Increases in payment (CPI Max 2.5% p.a.)	1.85	2.00

The underlying mortality assumption is based upon the standard tables known as S3PxA on a year of birth usage with CMI\_2023 future improvement factors and a long-term rate of future improvement of 1.25% per annum (2024: same). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.4 years (previously 21.4 years);
- Female age 65 now has a life expectancy of 24.0 years (previously 23.9 years);
- Male age 45 now, retiring at age 65, has a life expectancy from 65 of 22.7 years (previously 22.6 years); and
- Female age 45 now, retiring at age 65, has a life expectancy from 65 of 25.4 years (previously 25.3 years).

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	Male	Female
Active members - Option 1 benefits	64	64
Deferred members - Option 1 benefits	63	62

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current (December 2024) commutation factors in these calculations.

**Employee Benefit Obligations**

The amounts recognised in the Balance Sheet as at 30 June 2025 (with comparative figures as at 30 June 2024) are as follows:

	2025 £'000	2024 £'000
Present value of plan liabilities	(9,099)	(9,721)
Market value of plan assets	7,337	7,583
Net defined benefit asset/(liability)	(1,761)	(2,138)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follow.:

	2025 £'000	2024 £'000
Current service cost	67	76
Administrative expenses	21	16
Interest on net defined benefit (asset)/liability	110	115
(Gain)/loss on plan changes	-	10
Curtailment (gain)/loss	-	-
Total	197	218

Changes in the present value of the plan liabilities for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2025 £'000	2024 £'000
Present value of plan liabilities at beginning of period	9,721	9,525
Current service cost	67	76
Employee contributions	8	6
Benefits paid	(454)	(441)
Interest on plan liabilities	486	486
Actuarial (gains)/losses	(730)	58
(Gain)/loss on plan changes	-	10
Curtailment (gain)/loss	-	-
Present value of plan liabilities at end of period	9,099	9,721

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2025**

**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme (continued)**

Changes in the fair value of the plan assets for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2025 £'000	2024 £'000
Market value of plan assets at beginning of period	7,583	7,323
Contributions paid by the College	398	251
Employee contributions	8	6
Benefits paid	(454)	(441)
Administrative expenses	(23)	(25)
Interest on plan assets	376	371
Return on assets, less interest included in Profit & Loss	(551)	98
Market value of plan assets at end of period	<u>7,337</u>	<u>7,583</u>
Actual return on plan assets	<u>(175)</u>	<u>469</u>

The major categories of plan assets for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2025 %	2024 %
Equities	50%	46%
Bonds & Cash	37%	42%
Property	13%	12%
Total	<u>100%</u>	<u>100%</u>

The plan has no investments in property occupied by, assets used by or financial instruments issued by the College.

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	2025 £'000	2024 £'000
Return on assets, less interest included in Profit & Loss	(551)	98
Expected less actual plan expenses	(2)	(9)
Experience gains and losses arising on plan liabilities	(63)	(100)
Changes in assumptions underlying the present value of plan liabilities	793	41
Remeasurement of net defined benefit liability recognised in OCI	<u>176</u>	<u>30</u>

Movement in net defined benefit asset/(liability) during the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows

	2025 £'000	2024 £'000
Net defined benefit asset/(liability) at beginning of year	(2,138)	(2,202)
Recognised in Profit and Loss	(197)	(218)
Contributions paid by the College	398	251
Remeasurement of net defined benefit liability recognised in OCI	176	30
Net defined benefit asset/(liability) at end of year	<u>(1,761)</u>	<u>(2,138)</u>

**Funding Policy**

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102.

The last such actuarial valuation was as at 31 March 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 4 June 2024 and are as follows:

- Annual contributions of not less than £304,284 per annum payable for the period from 1 July 2024 to 31 March 2030.

These payments are subject to review following the next funding valuation, due as at 31 March 2026.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2025**

**20. Pension schemes**

**(c) NOW:Pensions scheme**

The College operates a defined contribution scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £299k (2024 £281k) of which £40k (2024 £38k) was outstanding at the year end. Contributions are collected by Now Pensions by Direct debit a month in arrears.

**21. Reconciliation of surplus for the year to cash flows from operating activities**

	2025 £000	2024 £000
Surplus for the year	1,799	10,626
<b>Adjustment for non-cash items:</b>		
Depreciation (note 8)	2,776	2,681
(Gain) on endowments, donations and investment property	(1,696)	(9,001)
Donations in kind	(56)	-
(Increase) in stocks	(40)	38
(Increase) in trade and other receivables	(3,236)	4,996
(Increase)/decrease in short-term investments	-	11,783
Increase/(decrease) in creditors	(2,708)	2,089
Pension costs less contributions payable	-	(2,380)
<b>Adjustment for investing or financing activities</b>		
Investment income	(2,944)	(2,669)
Investment management costs	884	683
Interest payable	427	460
Endowment funds invested	(1,011)	(136)
<b>Total cash flows from operating activities</b>	<b>(5,805)</b>	<b>19,170</b>

**22. Cash flows from investing activities**

	2025 £000	2024 £000
Non-current investment disposal	3,675	3,843
Investment income	1,858	702
Endowment funds invested	1,011	136
Payments made to acquire non-current assets	(9,793)	(16,665)
Disposal of non-current assets	-	-
<b>Total cash flows from investing activities</b>	<b>(3,249)</b>	<b>(11,984)</b>

**23. Cash flows from financing activities**

	2025 £000	2024 £000
Interest paid	(427)	(460)
Repayments of amounts borrowed	(152)	(144)
<b>Total cash flows from financing activities</b>	<b>(579)</b>	<b>(604)</b>

Pembroke College  
Notes to the accounts  
Year ended 30th June 2025

24. Analysis of cash and cash equivalents

	At beginning of year £000	Cashflows £000	At end of year £000
Bank overdrafts	-	(4,344)	(4,344)
Cash at bank and in hand	5,289	(5,289)	0
<b>Net Funds (page 30)</b>	<b>5,289</b>	<b>(9,633)</b>	<b>(4,344)</b>

25. Lease obligations

At 30 June 2025 the College had commitments under non-cancellable operating leases as follows:

	2025 £000	2024 £000
Land and buildings:		
Expiring within one year	19	159
Expiring between two and five years	-	28
Expiring in over five years	-	-

26. Reconciliation and analysis of net debt

	At 1 July 2024 £000	Cashflows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2025 £000
Cash and cash equivalents	5,289	(5,289)	-	-	0
<b>Borrowings:</b>					
<b>Amounts falling due within one year:</b>					
Bank overdraft	-	(4,344)	-	-	(4,344)
Unsecured loans	(153)	(10)	-	-	(163)
	<b>(153)</b>	<b>(4,354)</b>	-	-	<b>(4,507)</b>
<b>Borrowings:</b>					
<b>Amounts falling due after more than one year:</b>					
Unsecured loans	(13,771)	163	-	-	(13,608)
	<b>(13,771)</b>	<b>163</b>	-	-	<b>(13,608)</b>
<b>Total net debt</b>	<b>(8,635)</b>	<b>(9,480)</b>	-	-	<b>(18,115)</b>

27. Financial instruments

	2025 £000	2024 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments (note 9)	52,794	60,482
Other investments (note 9)	21,979	15,221
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Other investments (note 9)	349	353
Cash and cash equivalents (note 9, 12, 13)	7,152	6,312
Other debtors (note 11)	3,368	875
<b>Financial liabilities</b>		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft (note 14a)	4,344	-
Loans (notes 14a, 14b)	13,771	13,924
Trade creditors (note 14a)	586	2,223
Other creditors (notes 14a, 14b)	1,490	1,739

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2025**

**28. Related party transactions**

Owing to the nature of the College's operations and the composition of the College Council (or equivalent), it is inevitable that transactions will take place with organisations in which a College Council member may have an interest. All transactions involving organisations in which a member of the College Council may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

During the current and preceding year no fees or expenses were paid to Fellows in respect of their duties as Trustees.

Fellows are remunerated for teaching, research and other duties within the College as permitted by the Statutes. Fellows are billed for any private catering. The Trustees remuneration is overseen by the Stipends Committee

In addition, the College has provided loans to its Fellows for personal use, and also as part of equity share arrangements. The following amounts are included in Investments in note 9:

	2025 £000	2024 £000
<b>Loans to Fellows</b>	349	353

The salaries paid to Trustees in the year are summarised in the table below:

From	To	2025 Number	2024 Number
£0	£10,000	29	31
£10,001	£20,000	30	21
£20,001	£30,000	2	6
£30,001	£40,000	6	5
£40,001	£50,000	0	1
£50,001	£60,000	0	1
£60,001	£70,000	2	2
£70,001	£80,000	3	3
£80,001	£90,000	1	0
£90,001	£100,000	1	1
£100,001	£110,000	1	1
£110,001	£120,000	2	2
£120,001	£130,000	0	1
£130,001	£140,000	1	0
		<b>Total</b>	
		<b>78</b>	<b>75</b>

The total Trustee salaries were £1,867k for the year (2024 £1,815k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £501k for the year (2024 £500k).

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# Accounts

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PEMBROKE COLLEGE  
CAMBRIDGE CB2 1RF

## **Annual Report & Financial Statements Year Ended 30 June 2024**

PEMBROKE COLLEGE

Trumpington Street

Cambridge

CB2 1RF

**Registered Charity No. 1137492**

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## **Pembroke College**

### **Address**

Pembroke College  
Trumpington Street  
Cambridge CB2 1RF

### **Registered charity number**

1137492

### **Professional advisors:**

#### **Actuaries**

Cartwright Group Limited  
Suite 7, 2<sup>nd</sup> Floor  
The Hub  
IQ Farnborough  
Farnborough  
Hants, GU14 7JP

#### **Bankers**

Barclays Bank Plc  
9-11 St Andrew's Street  
Cambridge  
CB2 3AA

#### **Principal property managers**

Bidwells  
Trumpington Road  
Cambridge CB2 2LD

### **Key Officers**

Master – Rt. Hon. Lord Smith of Finsbury  
Treasurer & Bursar – Dr A Cates  
Senior Tutor – Professor R Mayhew

### **VAT number**

214 2442 08

#### **Auditors**

Peters Elworthy and Moore  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

#### **Principal solicitors**

HCR Hewitsons  
Shakespeare House  
42 Market Road  
Cambridge CB5 8EP

Cheffins  
Clifton House  
1-2 Clifton Road  
Cambridge CB1 7EA

**Pembroke College**  
**Trustees of the charity**

Rt Hon Lord Smith of Finsbury	Dr TT Weil
Professor NA Fleck	Professor TG Micklem
Professor MC Payne	Dr IRM Hussin
Professor JP Parry	Professor P Warde
Dr MR Wormald	Professor M Wyatt
Professor D Robertson	Dr A Madhavapeddy
Dr T Meissner	Dr G Hennequin
Professor CJ Young	Dr D Passolt
Mr NJ McBride	Dr R Laemmle
Professor N Cooper	Professor N Jones
Professor KGC Smith (left 12 February 2024)	Dr M Arbabzadah
Professor V Deshpande	Professor M Hulme
Dr DN Tambakis	Dr J Kromdijk
Professor N Datta	Dr A Ashraf
Professor AC Ferrari	Dr A Prorok
Professor RP Blakesley	Dt C Tonooka
Professor AW Tucker	Professor A Cardona
Dr S Learmount	Professor H Bronstein
Professor S Barrett	Dr A Asseraf
Dr A Shadrin	Professor R Kilner
Revd Dr J Gardom	Dr R Mayhew
Dr K Ettenhuber	Professor R Morieux
Mr M Mellor	Dr S Ward
Professor Sir S O’Rahilly	Dr C Kamal
Professor G Csanyi	Dr S Mohamed
Professor M Clatworthy	Dr M Colla (left 14 February 2024)
Dr A Houen	Dr N Crisafi
Professor R Gagne	Dr C Bloomfield-Gadelha
Dr M Gorji	Dr T Chaffey
Dr C Burt	Dr Z Toprakcioglu
Professor R Johnson	Dr L Di Michele
Dame Professor C Grey	Dr F Mancini
Dr M Abreu	Dr D Ezerova
Dr S John	Professor T Lindenthal
Dr A Cates	Dr C H Ek (Started 1 October 2023)
Dr P Cavill	Dr N Lalafaryan (Started 1 October 2023)
Professor J Durrell	Dr K Ghilani (Started 1 October 2023)
Dr MJ Sternberg	Dr A J D Shaikeea (Started 1 October 2023)
Dr HGM Diemberger	Professor E McKinney (Started 30 April 2024)
Dr S Cottaar	Dr L Weinert (Started 30 April 2024)

**Pembroke College**  
**Operating and Financial Review**  
**For the financial year ended 30 June 2024**

**Status**

Marie de St. Pol founded the College or Hall of Valence-Mary in the University of Cambridge, more commonly known as Pembroke College, in 1347. The College is an autonomous, self-governing community of scholars, and one of the thirty-one Colleges within the University of Cambridge. The College is a registered charity, and its registered charity number is 1137492.

**Aims and objectives**

The College is an institution of higher education. Its purposes are the promotion of education, religion, learning, research and scholarship, and the personal and intellectual development of its members. The College admits (as junior members) undergraduate and postgraduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its purposes, and it supports teaching and research in the University. In furtherance of its objectives, the College maintains and manages an investment portfolio, including properties. Besides financial and tutorial support, it provides accommodation, catering, and other services to its members and to others. Governance arrangements for the College are set out on page 14.

**Overview of the Year**

On page 27, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £32.7m, including £22m for revaluation of fixed assets. Excluding this exceptional item, the surplus for the year is £10.7m (2022-23 surplus £14.9m). The SOCIE is a statement of all movements of the net assets of the College between one year and the next. Therefore, it reports all operating income and expenditure, investment gains and losses and other adjustments, e.g. total return and pension adjustments. Investment gains were £9m (2022-23 £2.4m). Mill Lane restricted gifts were £2.2m (2022-23 £12.9m). In the year, the USS pension provision was written back in its entirety to the SOCIE (£2.4m). The CCFPS actuarial deficit decreased by £30k (2022-23: increase of £0.1m). The boxed section on page 28 is, in effect, the operating result as reported for the year. Therefore, the College reported a surplus of £373k for 2023.24 compared to £735k shortfall for 2022-23, the variation mainly due to the International Programmes.

The College management accounts for the year reported a slight surplus (£95k) against a projected small deficit of £112k and a breakeven position for 2022-23. The difference between that and the RCCA deficit of £373k is as follows:

Reconciliation to SOCIE	£'000
Management accounts surplus/(Deficit)	95
Capitalised maintenance projects	523
Depreciation	(2,680)
USS deficit	2,435
Exceptional Legacy	-.-
Other	
Surplus/(Deficit) as per SOCIE	373

The recovery in Conferences and events has carried on from the previous year with more events being hosted in College. Premises on 4 Mill Lane and the Auditorium are let to university departments for lectures during term time. The Auditorium is also used for concerts in the evening.

## **Pembroke College Operating and Financial Review (continued)**

International Programmes resumed a full schedule with the return of the Summer and Easter Japanese programmes on site which resulted in the highest turnover from IP of £5.4m with over 600 students attending through the year. The Development Office with the Master had successful visits to the US East and West coasts. They also travelled to the Far East.

The second phase of the Mill Lane project (Dolby Court, student accommodation) sees its first students moving in late September 2024. The North block will be ready early November and the Climbing wall in the Church tower will be completed early in 2025.

The College was granted £650k to install air source heat pump on the Foundress building and another £68k for one in 26 Barton Road. Once Dolby Court is fully functional, a third of the Estate will be decarbonised.

The Balance Sheet shows net assets of £335.1m (2022-23 £302.5), including investments of £117.9m (2022-23 £114.4m), where £102.6m relates to endowment assets.

### **Students**

The College admits as students those who have the greatest potential to benefit from the education provided by the College and the University, and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of background.

The year 2023-24 was more of a return to the pre-Covid ‘norm’ than recent application cycles had been, with all applicants having sat both GCSEs and A levels, or equivalent qualifications. Application numbers remained high, though were slightly lower than the previous year. The admissions cycle was therefore still high pressure, with competition for places being very intense – this was also the year that the College returned to in person interviewing, which may have influenced College choice decisions for some applicants. The Summer and Winter Pool processes remained online.

The number of students accepted by Pembroke in 2024 stayed marginally below the usual levels of admittance. An analysis is currently being undertaken by the Admissions Office to understand this better, and to seek to redress this by tweaking cover ratios for the next admissions round.

Undergraduate student applications are shown below, showing the level of diversity of students attending Pembroke.

#### *Applicants*

- Number of applicants 990 (2022-2023 1043)
- Arts 456 or 46.1% (2022-2023 48.6%); Science 534 or 53.9% (2022-2023 51.4%)
- Male 465 or 47% (2022-2023 48.6%), female 502 or 50.7% (2022-2023 51.4%), other or undeclared 23 or 2.3% (2022-2023 N/A, as these categories were not an option)
- Home (including refugees) 764 or 77.2% (2022-2023 74.2%); Overseas 226 or 22.8% (2022-2023 25.8%)
- Home state school applicants – maintained sector 547 or 71.6% (2022-2023 567 or 73.3%); independent sector 201 or 26.3% (2022-2023 207 or 26.7%), other 16 or 2.1% (2022-2023 had been included in ‘maintained’).

#### *Offers*

- Number of offers made for 2024 entry 164, including five brought forwards, and three offers through the winter pool (c.16.6% of applicants) (2022-2023 158 or 15.1%)
- State educated 69.5%, independent educated 30.5% (of home offers) (2022-23 73% and 27%)
- Male 40.9%, female 56.7%, other/undeclared 2.4% (2022-2023 47.5% and 52.5%; other/undeclared was not a category option)

The College charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to Student Support. Accommodation and meal charges at reasonable rates.

## **Pembroke College Operating and Financial Review (continued)**

### **Widening Participation**

The College's work in the area of widening participation helps young people from backgrounds which are traditionally under-represented at Cambridge to have confidence in their ability and to consider applying to top universities, including Cambridge. It equips the students with information relevant to their stage in the student life cycle, and about how to understand the additional elements of the application process at Cambridge. In particular we work to debunk myths about what we are looking for in successful applicants. The events that we deliver are targeted according to the stage participants are at; for example, sixth formers benefit from sessions targeted at the application process and super curricular exploration, whilst key stage 4 students receive support on A level selection and early preparation. In addition, we work with teachers to help them more fully understand what we are looking for in applicants, and how our application process works, enabling them to better advise the students with whom they are working. Our programme includes both events that work with school groups, and those with a focus on individual applicants.

The 2023-2024 academic year saw a continuation of a hybrid offering, with some events taking place in person – either in College, or regionally – and other being delivered online. The format was decided according to selection criteria: the more intensive in person events were more specifically targeted at those with widening participation characteristics, with the exception of participation in the university-wide open days.

Of the offers made in the 2022-23 application cycle, 13% were made to students who had engaged in Pembroke's outreach and recruitment events. 20% of the College's IMD (Index of Multiple Deprivation) offers, and 35.7% of the POLAR4 quintile 1 and 2 offers were made to students who had previously participated in our programmes.

Our event programme is frequently reviewed and updated as appropriate; in the coming year it will include masterclasses, personal statement workshops, visit days, open days, remote interview sessions, residential events, virtual tasters, and participation in a collaborative STEM SMART project – amongst other activities. Within total admissions and access costs of £1.2m shown on page 32, £0.6m was spent on Access and Widening Participation activity in the year.

### **Student Support**

In order to assist undergraduates entitled to Student Support, the College provides, through the Cambridge Bursary Scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. That scheme was approved by the Office of Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. In total £1m has been provided to students through this and other College provision over the last three years as detailed in the table. The majority of bursary support is provided through the Cambridge Bursary Scheme. In addition, undergraduate studentships have been supported over the same period with £83k of funding.

The College also provides substantial financial support to its postgraduate students. This has amounted to £1.1m over the past three years and includes scholarships to fund fees and living costs, as well as 'top-up' funding to fill shortfalls in students' funding packages.

The College supports all students through a grant scheme to assist with the purchase of books and equipment, attendance at conferences, childcare support, vacation study, counselling and travel grants. Additional external counselling support has stabilised as the College has put internal measures in place to support students more effectively (2 FT nurses during term time) in addition to the other support offered to students such as via the University/College counselling services. Final Prizes and scholarships for 2022-23 academic year were awarded in November 2023 due to the marking boycott. The college had provided for this in its 2022-23 accounts (c.£70k). In addition to its other programmes, the College operates a maintenance/hardship scheme for students in financial hardship which has provided £0.4m of assistance in the past 3 years.

**Pembroke College  
Operating and Financial Review (continued)**

The following table shows the awards made to students over the three years to June 2024:

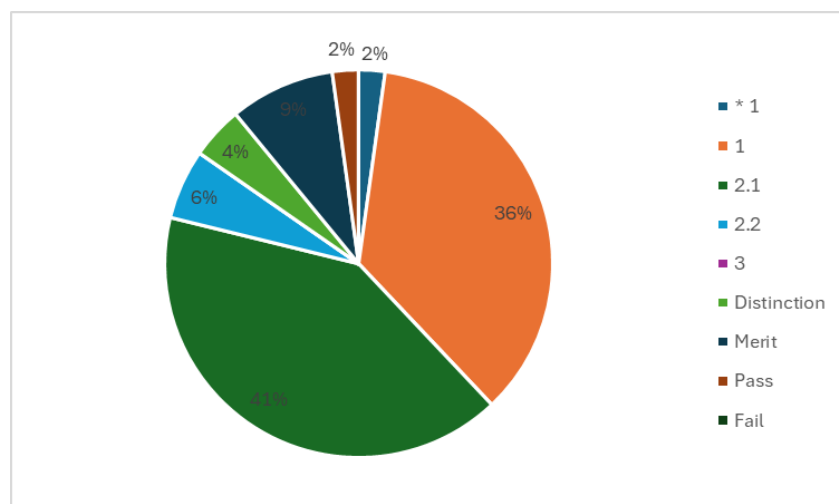
Support (£'000)	2021-22	2022-23	2023-24	3 Year Total
Postgraduate studentships	334	432	347	1,113
Undergraduate studentships	23	30	30	83
Cambridge Bursaries & other support	343	329	329	1,001
Prizes and scholarships	57	97	64	218
Maintenance/rent rebates	128	107	107	342
Book grants	9	13	17	39
Research expenses	22	67	67	156
Counselling support	56	69	41	166
Vacation study	49	41	44	134
Other awards	47	66	127	240
<b>Total awards</b>	<b>1,068</b>	<b>1,251</b>	<b>1,173</b>	<b>3,492</b>

The College’s aims in the area of student funding are to support academic excellence irrespective of financial background, in a diverse and interdisciplinary community. We wish to attract the most able students and enable them to reach their academic potential. This area is managed by the Student Finance Committee reflecting the growing complexity and budget of student funding. In order to achieve the greatest possible accountability, the committee shall: 1) support strategic and budgetary planning; 2) allow for adaptability in light of changes to University and national/external funding policy landscape; and 3) respond to the needs of other sections of the College including, for example, the Admissions, Postgraduate, and Development Offices. What is covered by the student funding policy falls into three broad areas: 1) Means tested undergraduate student support, in partnership and in addition to the Cambridge Bursary scheme; 2) non-means tested postgraduate studentships awarded at entry in partnership with the University complemented by a Pembroke MPhil Scheme; 3) General support available to all students. General support for undergraduates includes vacation study grants and academic enrichment, hardship funds, counselling and medical fee support, general travel awards as well as subject specific expenses. Postgraduates have the opportunity to apply for research specific travel and conference support, as well as support-in-kind for Pembroke student led symposia/conferences in Cambridge, academic enrichment and hardship funds; counselling and medical fee support

**Academic performance**

It is worth noting that finalists who are graduating with an Overall Degree Classification (ODC) can have a compound of two years’ worth of marks rather than final year performance only. In a wide range of subjects, year 2 now counts as 30% of the degree and year 3 as 70% (law, uniquely, has a 50:50 split). Details of the subjects in question can be found here: <https://www.camdata.admin.cam.ac.uk/degree-classes>. This also means that a candidate can attain a different class in their third-year finals exams than their resultant ODC. For 2023-24, this only applies to one student. This is a very strong performance by our Finalists. It closely mirrors last year’s strong results which put the College in the top five on most metrics with a very slight uplift in the percentage attaining a First.

The results for finalists are shown below:



## **Pembroke College Operating and Financial Review (continued)**

### **Employees**

In order to fulfil its charitable purposes, the College employs as Fellows: College Lecturers, Supervisors, Director of Studies, Tutors, Clergy and senior administrative officers, all of whom, along with the Master, serve as charity trustees through being members of the College's Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's objectives and their employment directly contributes to the fulfilment of those aims (although paying Fellows who are trustees is allowed by the Charity Commission). The benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally; furthermore, annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge. The total number of Fellows in the year was 78 (2022-23 73) excluding Life Fellows. The College also employs 176 other FTE (2022-23 148) members of staff to provide the professional, academic and service support necessary to run the College. The increase is mainly due to the fact that College's operations are gradually going back to pre-pandemic levels and the College has started to fill vacancies where necessary.

### **College Decarbonisation**

The College is committed to the decarbonisation agenda and has a strong record in its actions to protect the environment.

#### *Its Investments:*

The College was the first to adopt an ethical investment policy (see <https://www.pem.cam.ac.uk/college/about-pembroke/legal-information/investment-statement>). The Fellowship and Senior Management are working with all the College investment managers to ensure the college portfolio is increasingly free of investment in tobacco, armament and fossil fuel. The College has been proactively engaged its banks on their environmental record since 2016, starting with the Lakota pipeline Financing, and continues to be involved with the Banking Engagement Forum with other Colleges joined in this by the University and the National Trust.

#### *Its buildings, gardens and lands:*

The college was a pioneer in decarbonising its current building stock, managing the challenges of medieval buildings. This began with Solar PV installation on the sports pavilion in 2008, followed by the roof of Foundress Court, in 2011, and a borehole to allow watering the College gardens without using scarce local water supplies. The college invested £1.5m in renewing its heating system and insulating rooms to better energy efficiency, and we continue to add insulation and secondary glazing when we refurbish properties. A third of our student bedrooms, and most of our offices now have heat movement detectors, so the rooms are not heated when they are not occupied. Most of the College is now fitted with LED lightbulbs. The first Air Source Heat Pump was installed in 2022 in one of its hostels after a successful SALIX grant application. In 2023, the College was successful with two new SALIX applications for larger air source heat pumps, one for the Foundress building and one for 26 Barton Road to a total of over £0.7m. The work was completed this year.

The flagship Mill Lane development has also been designed with the environment in mind, with a significant area of additional Solar PV and with air source heat pumps providing hot water and heating to all the student rooms and the Auditorium and teaching spaces. The new Student block has high spec insulation, and carefully designed recessed windows, with Solar glass to reduce the need for cooling in summer (the main structure can be cooled using heat pumps transferring excess heat to the Hot Water).

Once Dolby Court is fully occupied, a third of the estate will be decarbonised.

The college also owns 170 acres of woodland in Cambridgeshire as well as some allotments offered to Cambridge residents which contribute to the general wellbeing of its members and the public in general.

Its sportsgrounds on the edge of Cambridge have hedgerows of wildflowers; the head gardener has also dedicated some areas of the college to wildflowers to promote insects and bees' population.

#### *Its operations:*

The Consultative Committee on Sustainably and the Environment meet at least once a term and includes members representing the whole college: Undergraduates, Postgraduates, Staff and Fellows. The committee is very active and has contributed to the college's actions.

All departments of the college understand their part to play in tackling environmental challenges.

## Pembroke College Operating and Financial Review (continued)

The Development Office has resumed its in-person activities with members and alumni post-COVID. This poses some challenges as travel is indispensable to meet overseas alumni of which 10% live in the US. However, all marketing is moving towards electronic only, with the Martlet sent electronically to all alumni matriculated from the year 2000 and all Christmas cards are now sent via email.

The Catering department is reducing the use of disposable containers for staff and students by asking them to bring their own containers should they wish to have takeaways. They also display prominently in the servery posters with relative carbon footprint of various food contributors. There is always a daily offer of plant-based dishes as well as a vegetarian option. Food wastage is reduced as much as possible with either re-using unconsumed items to make other dishes and if not possible by recycling what needs to be thrown away. Students are encouraged to recycle when possible and recycling bins are prominent in the Hall as well as in gyp rooms.

IT is moving more and more of its provision onto the Cloud and chooses suppliers with good carbon footprint credentials. The team have also installed power management in most equipment and where possible air cooling is to be replaced by water cooling (mitigating risks of flooding). HR has introduced environment training in its induction to new staff and all documents are now electronic.

The college has been an advocate of flexible working for a long time, thus reducing cars on the roads. It was the first college to introduce an Electric Vehicle salary sacrifice scheme to all staff and fellows who qualify. Charging points have been installed in the college. The cycle to work scheme is also very popular.

When replacing machinery, the college will buy/lease electric options if available. It has recently bought a new battery sit-on mower which also reduces noise pollution.

### Beneficiaries

The Master and Fellows of the College receive a number of benefits as beneficiaries. These include accommodation, loans, research grants, conference grants and book grants. These benefits are provided with the intention of furthering the College's aims and primarily that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to others in the sector.

### Funding of the College

Pembroke College is funded from a series of sources. Including endowment gifts, the principal elements of income are as follows:

Income Sources	2020-21		2021-22		2022-23		2023-24	
Student fees	3,231	28%	3,319	22%	3,295	17%	3,442	17%
Student rents	1,975	17%	2,745	18%	3,171	17%	3,112	16%
Student catering and bar	355	3%	382	2%	552	3%	457	2%
Bequests & Donations	1,647	14%	2,571	17%	3,373	18%	1,677	9%
Endowment	3,422	29%	3,534	23%	3,727	20%	3,901	20%
International Programmes	(1)	0%	1,741	11%	3,736	20%	5,379	27%
Conference	12	0%	191	1%	466	2%	626	3%
Other	969	8%	841	5%	766	4%	1,098	6%
Total Income	11,610	100%	15,324	100%	19,085	100%	19,693	100%

### Financial performance

The College manages its finances through a set of management accounts. The College had forecast a small operational deficit in its management accounts and ended the year with a small surplus £95k, (with a variance to budget of £207k). The main factor is the successful year for International programmes, with the resumption of all programmes on site for the whole year, generating £5.4m income for the College.

During the year, the College's net assets increased to £335m (see pages 28 and 29). Donations and legacies to the endowment amounted to £136k. Investment assets, including private placement funds invested, increased by £3.4m from £114.4m to £117.8m.

## Pembroke College Operating and Financial Review (continued)

College income was £22m in 2023-24 (2022-23: £31m): donations for Mill Lane were £2.2m this year compared to £12.9m in 2022-23, explaining most of the difference. Academic fees & Charges increased significantly (+£1.6m), due to the increased number of International students. Accommodation, Catering and Conferences increased 10%: the college now leases to some university departments the Auditorium and 4 Mill Lane for lectures, thus bringing rental income. However, Catering income is stagnating as students still do not use the facilities as much as pre-pandemic. The college reports a net surplus of £0.4m (2022-23 deficit £.7m) -(see page 27), in the boxed section. Depreciations accounted for £2.7m and this year the USS provision was entirely written back generating £2.4m extra income. Recruitment of staff in some departments is still proving a challenge, but this has abated since 2022-23 and the college is aiming at near full employment in 2024-25. Like many other organisations, the College saw its utilities and insurance costs increase drastically, despite some protection by being part of a Colleges consortium.

### Other financial issues of note from the RCCA are:

- Fees in note 1 include College fees from IP Semester students £2.8m (2022-23 £1.6m).
- Total income from accommodation, catering, International Programmes and conferences (note 2) was £7.4m, an increase of £0.7m from the previous year. Income from College Members was flat at £3m. Student weekly rents was increased by c.7%. Overall Catering income remained flat as more events compensated a shortfall in footfall from students. Conference income overall (catering and rooms) increase by 32%, partly thanks to the college renting the Auditorium and 4 mill Lane to university departments.
- Investment drawdown was largely unchanged at £3.8m. Drawdown is calculated on a 4-year weighted average investment portfolio at 3.6%. Drawdown from actual investments at 30<sup>th</sup> June 2024 was 3.6% (2022-23 3.7%) in the year.
- Education costs increased from £9.2m to £10.3m. Consequently, the education expenditure per student excluding research costs in the year went up to £14,171 per undergraduate (2022-23 £3,113) and £11,945 per postgraduate student (2022-23 £9,158). Increases are mainly due to a return to near-full staffing after 3 years
- The total costs of accommodation, catering and International Programmes (note 5) increased to £9.3m (2022-23 £8.2m), as International Programmes students came back from July 2022 and activities resumed during the academic year.
- The contribution to the Colleges' Fund was £30k on page 27 (2022-23 £25k).

### Development activity

The total income from donations received was £3.9m (2022-23 £16.4m). This includes income detailed on page 27 (donations, endowment gifts and capital donations). The breakdown is as follows:

	£'000
Annual Giving & Unrestricted Legacies	741
Restricted fund gifts	582
Unrestricted Endowment gifts	38
Corporate donations	297
Capital Gifts - Mill Lane	2,197
<b>Total</b>	<b>3,854</b>

Within total College expenditure of £19.9m, a total of £1.2m was spent on fundraising, corporate partnerships and alumni relations, including £0.5m on general fundraising.

## **Pembroke College Operating and Financial Review (continued)**

### **Staffing costs and pension schemes**

The College makes pension-fund contributions on behalf of its employees to two defined-benefit schemes: the Cambridge Colleges Federated Pension Scheme (CCFPS) on behalf of some non-academic staff, and the Universities Superannuation Scheme (USS) on behalf of academic and other staff. Notes in respect of pension schemes are shown on pages 38 to 41 of the accounts. New non-academic staff are auto-enrolled into the NOW:Pension Scheme (a defined contribution scheme) when they become eligible.

Payroll costs (academic and non-academic) in note 6 increased to £10.1m, excluding USS pension provision adjustment (2022-23 £8.8m); the increase is mainly due to a return to near full staffing, the roll-in of the annual bonus in the base salary (resulting in an overall increase for staff concerned); the college also pays the Real Living Wage as a minimum to all staff, including casuals.

### **Capital projects 2023-24 and future works**

During the year, the main projects were to refurbish 11-12 Fitzwilliam Street and O staircase. Expenditure on the Mill Lane project in the year totalled £17m on Phase 2 of the project (Dolby Court – student accommodation). Dolby Court opens to students.

The College also installed air source heat pumps on Foundress and in 26 Barton Road, with funding from Salix (total £725k).

2024-25 will see the finalisation of the Mill Lane development with the climbing wall in the church tower and 12-13 Mill Lane. Budgets also include work to renovate W Staircase (11 rooms) and student hostels (52A Trumpington Street and 11 Little Saint Mary's Lane).

## Pembroke College Operating and Financial Review (continued)

### General investment performance and cash management

The College holds a well-diversified portfolio covering most asset classes. The breakdown of assets in the investments portfolio at 30 June 2024 and 30 June 2023 is as follows:

	2022-23		2023-24	
	£'000	%	£'000	%
Investment vehicle				
Managed cash (other than operating balance)	1,242	1.2%	5,788	5.7%
Equities	52,067	51.7%	48,922	47.8%
Alternative investments (hedge funds, derivatives)	-	0.0%	-	0.0%
Property funds	10,522	10.5%	10,483	10.2%
College property – shops, land and commercially held properties	34,868	34.5%	35,809	34.9%
Private equity, venture capital	1,209	1.2%	940	0.9%
Other investments	758	0.8%	353	0.3%
<b>Total investments</b>	<b>100,666</b>	<b>100.0%</b>	<b>102,294</b>	<b>100.0%</b>
Overall investment growth	0.11%		1.62%	
Drawdown for spending	3.70%		3.60%	
<b>Total return</b>				
<b>Private placement investments (note 9)</b>				
Managed cash	2,995	21.7%	50	0.3%
Equities	10,782	78.3%	15,543	99.7%
<b>Total other investments</b>	<b>13,778</b>	<b>100.0%</b>	<b>15,593</b>	<b>100.0%</b>
<b>Total investment portfolio (note 9)</b>	<b>114,443</b>		<b>117,887</b>	

The College general investments are reviewed at two meetings a year by the Finance & Scrutiny Committee. External managers are employed to manage specific elements of the investment portfolio. The College has a challenging long-term target total return of CPI plus 4%, i.e. to support investment drawdown plus educational inflation. During 2023-24, the investments increased to £102.4m. The College was gifted shares in the Martlet, a venture capital company and disposed of its investment with GMO (£9m) as the manager could not comply with the college's carbon-free policy. In addition, the College holds £15.5m of investments in respect of private placement loan proceeds invested. The loan repayment terms are described on page 35 (total loans £12.9m).

The College has a target of ensuring the investment portfolio has at least 5% invested in liquid funds (realisable in 0-10 days) and 9% in semi-liquid (realisable in 11 days to 6 weeks). The level of drawdown in 2023-24 was 3.6% of the 4-year weighted average investment level (or 3.7% of the actual investments at 30 June 2023).

The table below shows the asset allocation as of 30 June 2024.

ASSET ALLOCATION	Current	Allocation	Allocation Inc.		Target Range
	Value	Target	Allocation Now	Commitments	
Cash/fixed interest	8,097	9.0%	7.9%	7.7%	0-15%
Equities	34,777	31.0%	33.9%	33.9%	0-50%
Alternatives	5,868	10.0%	5.7%	5.7%	0-10%
Property funds	12,311	7.0%	12.0%	12.0%	0-50%
Fellows loans	353	0.0%	0.3%	0.3%	0-10%
Owned properties	35,809	38.0%	34.9%	34.9%	0-50%
Private equity	4,881	3.0%	4.8%	5.0%	0-10%
Venture Capital	483	2.0%	0.5%	0.5%	0-10%
	<b>102,579</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

Note: the above do not include Pembroke House share in the endowment of £285k

## **Pembroke College Operating and Financial Review (continued)**

The College's current investment approach, last updated in October 2019, is that the College has no direct investments in businesses which are predominantly involved in tobacco, arms, or fossil fuels. When considering whether to invest in pooled funds, where it is often impossible to specify exceptions, the level and materiality of investment is carefully considered. All College investment holdings (and the investment policy) are declared regular intervals on its website here: <https://www.pem.cam.ac.uk/college/about-pembroke/legal-information/investment-statement>

A divestment statement was also made here: <https://www.pem.cam.ac.uk/college/news/statement-divestment>. The College is also committed to regularly challenging its bankers and investment managers in respect of such areas as fossil fuel lending, exercise of voting rights and other ESG matters.

The College is liable for the repairs of 2/3 of the Chancel of the church in Soham as this sits on College land (part of the investments portfolio). The College has already checked that all quinquennial inspections had been done timely. At this stage the Chancel roof needs extensive repairs, and the church has started the formal process to arrange the repairs. It is expected that the college's liability will be c.£500k. This is likely to happen either late 2024-25 or early 2025-26. This cost has not yet been included in the accounts as the Church in Soham still has to approve the works.

### **Reserves policy**

The College unrestricted reserves total £229.7m (2022-23 £183.3m) (page 29). The increase is mainly due to the revaluation of its operational assets the college did as of June 2024 resulting in £22m uplift on the value of its fixed assets (see note 8). This total does not include £44.6m of unrestricted endowment reserves in note 16. These reserves exist to support future generations of students, both through the provision of operational buildings and also income to partially support educational services. Reserves of £44.6m are insufficient to meet the income needs of the College and as such are supplemented by other income such as from International Programmes and fundraising. As the College is a long-term institution, reserves are held with a long-term view but an element of the unrestricted reserves could be spent as permissible by Statute and Ordinances. The Governing Body has set a minimum level of unrestricted endowment reserves of £35m that it would prefer to remain above, notwithstanding short-term stock market fluctuations. The College has an aim to repay from future surpluses any annual deficits incurred during the pandemic, but that the timing of this repayment will be assessed as more normal conditions return over the coming years.

Restricted reserves total £58.7m (excluding £44.5m above). Further, the College holds £2.1m of unspent Mill Lane gifts. The restricted reserves can only be spent on purposes set down by the donor.

**Pembroke College  
Operating and Financial Review (continued)**

**Challenges Ahead**

Due to the COVID-19 pandemic, the financial implications for the coming few years are likely to be significant and far-reaching. The college had planned a small deficit in 23-24 of £112k, as it used conservative assumptions. The College aims to return to an operational surplus in due course. However, the current geopolitical situation creates challenges in many respects.

- (a) Investment performance is likely to be negatively impacted
- (b) Although the College has over the last few years increased student rents by an average of 7% per year whilst underlying inflation was high, this is not sustainable going forward. The College does not have many discretionary income sources it can flex easily.
- (c) Pressure on salaries remain high despite inflation falling in recent months. The College constantly reviews its offering to staff and strive to improve and enhance support on mental health, training and development
- (d) Building refurbishment programmes would continue as planned.

The College will continue to review how the financial deficits for 2021-2023 will be managed. The deficit is likely to be funded over several years, in particular to ensure that the College is not borrowing operating cash for longer than necessary so as to spread the deficit recovery over several generations of members. The College has sufficient cash reserves to fund the deficit for at least the next two years as it decides how to manage the longer-term implications of the deficit and is therefore considered by the Trustees as a going concern. However, it will be important to ensure sufficient unrestricted, i.e. non-Mill Lane and endowment cash, exists to avoid the need for external borrowing. There appears to be no immediate need to change reserves policy and the drawdown policy remains broadly the same, although the College is reducing the percentage drawdown to 3.5% of the weighted average endowment over a 5-year period (from 4%).



Approved by: ..... Dr A Cates (Treasurer and Bursar)

Date of approval: 12<sup>th</sup> November 2024

## Pembroke College Corporate Governance and Public Benefit Statement

### Governance

The Master and Fellows constitute the Governing Body of the College, to whose meetings are invited Junior Member representatives (for open business). The Governing Body is constituted and regulated in accordance with the College Statutes. The body is responsible for the strategic direction of the College, for its on-going administration, and for the management of its finances and assets. Meetings are held ten times a year under the chairmanship of the Master. Supporting the Governing Body is a range of committees including: Finance & Scrutiny, Development, Planning, Fellowship, Investment, Consultative, Teaching, Buildings and International Programme. Responsibilities of the Governing Body are more fully described on page 17.

The Governing Body members are also the Trustees of the charity and are listed on page 2. The principal officers are listed on page 1. There are Registers of Interests of Trustees and declarations of interest are made systematically at meetings.

### Risk assessment

The major risks to which the College is exposed are reviewed regularly by the various College committees named above and reported to the Governing Body. Systems are in place, or are in the process of being established, to mitigate identified risks. The College Health & Safety Policy Statement is reviewed regularly and endorsed by the Governing Body and is displayed throughout the College. As part of this policy, the process for reporting accidents at work is described. The College maintains a general risk register which is updated and reviewed regularly with consideration of the necessary controls to mitigate those risks. The College also carries insurance against key business and financial risks. College departments have also carried out their own risk analysis with assistance from an outside consultant, which includes a review of critical systems and allowable recovery times. Furthermore, the project management of the Mill Lane project also includes a detailed risk register. Aside from the Mill Lane project, examples of (among many) key risk areas include:

- For the foreseeable future, the College is attempting to identify, assess, record and manage the risks associated with the COVID-19 pandemic. The College has followed Government and University guidelines in terms of this risk assessment exercise; is currently documenting its processes and procedures in different areas; participating fully in collegiate and University discussions and groups; communicating as effectively as possible with its' key stakeholders; ensuring that all financial controls are at least as robust as they were before the changed working environment.
- Poor academic performance – investment in educational resources and people to deliver high quality education; recruitment of high-quality students regardless of background.
- Future of home/EU tuition fees – continue to work with the University and other organisations to achieve the fairest allocation of resources.
- Attracting the best, most able students – ensuring Widening Participation and Admissions processes are well resourced and thorough.
- The degree of reliance on International Programmes income – ensuring the College diversifies IP and other College activities; forward planning to protect this valuable source of income.
- Recruitment and retention of staff and Fellows – investment in staff salaries and other benefits which are competitive in our market; investment in training for career development and support whilst in post.
- Pension provision for staff and Fellows – ensuring the long-term viability of pension provision across all three schemes.
- Availability of accommodation – maintaining and investing in buildings to ensure they are of suitable quality and house all Pembroke students who wish to be housed.
- Building projects being completed on time – ensure all major building projects have robust plans and budgets which are monitored over the project life.
- Success of fundraising and alumni relations – investment in the Development Office to enable a comprehensive programme of activities and fundraising to take place.
- Undergraduate tuition fees have not risen with inflation and they are unlikely to increase in the near future. This creates a risk of further attrition of fee levels by inflation.

## **Pembroke College**

### **Corporate Governance and Public Benefit Statement (continued)**

#### **Environmental policy**

In achieving excellence in teaching and research, Pembroke College manages its activities, buildings and estates to promote environmental sustainability, conserves and enhances natural resources and prevents environmental pollution to bring about a continual improvement in its environmental performance.

The College has an environmental policy statement which is reviewed regularly and endorsed by the Governing Body and is displayed in the College. The College has a Consultative Committee for Sustainability and the Environment which meets twice termly to discuss related issues.

#### **Equal opportunities**

Many matters relating to recruitment and employment matters are covered in the Staff Handbook. The College is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The College's employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on any grounds that are unjustified in terms of equality of opportunities for all.

#### **Public benefit statement**

In accordance with its Founding Charter and Statutes, the College's charitable purpose is to advance education, religion, learning and research for the public benefit by the provision, support and maintenance of a College in the University of Cambridge. A full statement of the public benefit it provides has been lodged with the Charity Commission. It is summarised as follows:

##### **Education:**

- The provision, in conjunction with the University of Cambridge, of an education for some 763 undergraduate and postgraduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills and so prepares them to play full and effective roles in Society.
- The provision of teaching facilities and individual or small group supervisions, as well as pastoral, administrative and academic support through its tutorial systems.
- Social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

##### **Research:**

- The provision of Research Fellowships to outstanding academics at an early stage of their careers, enabling them to focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.
- Supporting the research work of its other Fellows by promoting interaction across disciplines, providing facilities and grants for conferences, research trips, and materials.
- Encouraging visits from outstanding academics from abroad.
- Encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College also carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, it maintains and supports a Chapel and holds services which are open to the general public and visitors. Through the College Dean of Chapel, it supports the emotional, mental and spiritual well-being of all members of the College whatever their faith tradition or none. It is also the Patron of 14 parishes and maintains its historic link with Pembroke House, in Walworth, South London, a Charity whose aims overlap with those of Pembroke College, working in an area of high deprivation.

## **Pembroke College**

### **Corporate Governance and Public Benefit Statement (continued)**

The College maintains an extensive library, so providing a valuable resource for members of Pembroke, other Colleges, and the University of Cambridge more widely as well as external scholars and researchers and the public through regular exhibitions and the digitization of special collections materials.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research. However, beneficiaries include students and academic staff from other Colleges in Cambridge and from Cambridge University more widely, visiting academic staff from other higher education institutions and visiting school children who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend educational activities in the College such as exhibitions.

#### **Development**

The College has a Development and Corporate Partnership team of around 12 FTE which includes permanent staff and student telephone fundraisers. This team provides support for all fundraising, alumni relations and corporate partnership activities of the College. A Development Committee consisting of Fellows oversees Development activities and meets twice a term. There is also a Campaign Board which includes up to 20, mainly external, members and meets once per term. The College uses an external organisation to assist with the annual telephone fundraising campaign. On a less formal basis, the College also has a number of Alumni Chapters around the world which helps to support and promote the College. In addition, the College will soon create a number of Campaign Ambassadors to assist with networking and develop prospects around the world. During the year, there were no complaints. Pembroke College subscribes to the Fundraising Regulator's Code of Fundraising Practice.

## **Pembroke College Responsibilities of the Governing Body**

The Governing Body is responsible for the administration and management of the College's affairs.

The Governing Body presents audited financial statements for each financial year. These are prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards, including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

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

In causing the financial statements to be prepared, the Governing Body has sought to ensure that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

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

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Pembroke College**

### **Independent auditors' report to the Governing Body of Pembroke College, Cambridge**

#### **Opinion**

We have audited the financial statements of Pembroke College (the 'College') for the year ended 30 June 2024 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2024 and of its 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 and the Statutes of the University of Cambridge.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Statutes of the University of Cambridge**

In our opinion based on the work undertaken in the course of the audit:

- The contribution due from the College to the University has been computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

## **Pembroke College**

### **Independent auditors' report to the Governing Body of Pembroke College, Cambridge (continued)**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review.

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

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Governing Body**

As explained more fully in the responsibilities of the Governing Body statement set out on page 14, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

## Pembroke College

### Independent auditors' report to the Governing Body of Pembroke College, Cambridge (continued)

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the College's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### Use of our report

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



#### **PETERS ELWORTHY & MOORE**

Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date: 19 November 2024

Peters Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## **Pembroke College**

### **Statement of Principal Accounting Policies**

#### **1. Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 7.

The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

#### **Going concern**

The College's operations are gradually recovering from the COVID pandemic. International Programmes offered a full suite of courses in 2023-24, and saw one of the highest turnovers ever recorded despite still operating in a challenging environment.

However, the global geo-political situation is putting further pressures on the College, with staff recruitment still a challenge in some departments. Although inflation has reduced over the last couple of years, there is still inflationary pressure on salaries and utilities costs.

The Trustees have prepared forecasts for the period to 2029 based on high level assumptions regarding inflation and investment performance. The College reviews its cost base on a regular basis as revenues (especially from student fees) do not increase as quickly as costs and to extend financial headroom. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

#### **2. Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and operational property which are included at valuation.

#### **3. Basis of consolidation**

The activities of student societies have not been consolidated on the basis that the College does not have control over the operation of the societies.

#### **4. Recognition of income**

##### ***Donations and endowments***

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
3. Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

***Grant income***

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

***Investment income and change in value of investment assets***

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

***Total return***

The College calculated its income requirements (based on a percentage of the 4-year weighted average investment value) and that amount was transferred to investment income in the Statement of Comprehensive Income and Expenditure. The income is stated net of investment management and property fees. All returns from cash or property held in respect of operating assets are treated as income as received.

***Academic fees***

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

***Other income***

Income is received from a range of activities including accommodation, catering conferences and other services rendered.

***Cambridge Bursary Scheme***

In 2022-23, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £200k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£148k
Expenditure	£348k

**5. Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

**6. Fixed assets**

**a) Land and buildings**

Following a review carried out by professional valuers Gerald Eve as of 30 June 2024, College's land and buildings are now held at an updated depreciated replacement value. The valuation is reviewed annually with a full valuation at least every five years. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives with a range for the different buildings averaging between 15 and 175 years (the latter being for the most recent buildings, such as the Auditorium). M&E and fit-out are depreciated on a straight line basis between 10 and 50 years. Freehold land is shown separately and is not depreciated. Assets under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

When land and buildings are acquired with the aid of restricted bequests, donations or grants, the policy for accounting for that income is described in accounting policy 4 above.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

**b) Maintenance of buildings**

The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

**c) Furniture and equipment**

Furniture and equipment is not capitalised if an individual item costs less than £5k. Such expenditure is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Computer equipment/photocopiers	33% p.a. (3 years)
Boats	7% p.a. (15 years)
Heating systems	5% p.a. (20 years)
Steinway piano	2% p.a. (50 years)
Other furniture and equipment	10% p.a. (10 years)

When furniture and equipment is acquired with the aid of specific bequests or donations, the policy for accounting for that income is described in accounting policy 4 above.

**d) Leased assets**

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

#### **e) Heritage assets**

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1<sup>st</sup> July 2003 or with a cost below £5k have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1<sup>st</sup> July 2003 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

#### **7. Investments**

Non-current investment assets are included in the balance sheet at market value. Investments that are not listed on a recognised stock exchange (except estate properties) are carried at net asset value.

While College hostels and other properties treated as operational assets are re-valued as stated in 6a) above, other properties and agricultural land held for their investment value are treated and valued as investment assets. Such investment assets are currently valued annually, at least by desktop valuation, by a professional valuer (Bidwells and Cheffins) and revalued on the balance sheet accordingly. Every five years, a full valuation is carried out.

#### **8. Stocks**

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

#### **9. Provisions**

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

#### **10. Taxation**

The College is a registered charity (number 1137492) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

#### **11. Contribution under Statute G, II**

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

#### **12. Pension schemes**

The College participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income and Expenditure.

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

The College operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

#### **13. Financial instruments**

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **14. Financial assets**

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of ownership are transferred to another party.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)****15. Financial liabilities**

Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the College enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The College does not apply any hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

**16. Contingent liabilities and assets**

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

**17. Employment benefits**

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

**18. Reserves**

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity. Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

**19. Critical accounting judgements**

The preparation of the College's accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Investment property – Properties are revalued to their fair value at the reporting date by Cheffins. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. Only those residential properties deemed to be out- with the core housing stock of the College are included in investment property. This status is regularly reviewed.

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due

Retirement benefit obligations – The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 20.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

Following on from the USS valuation in 2020, the previous liability recognised on the balance sheet was reversed in full in 2023-24. Further detail are set in note 20.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

**Pembroke College**  
**Statement of Comprehensive Income and Expenditure**  
**Year ended 30th June 2024**

	Note	2024			2023				
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
<b>Income</b>									
Academic fees and charges	1	6,492	307	-	6,799	4,985	178	-	5,163
Accommodation, catering and conferences	2	7,413	-	-	7,413	6,743	-	-	6,743
Investment income	3a	702	0	1,967	2,669	489	197	2,035	2,721
Endowment return transferred	3a	1,689	2,144	(3,843)	(10)	1,611	2,048	(3,669)	(10)
Other income	3c	17	57	-	74	82	60	-	142
<b>Total income before donations and endowments</b>		<b>16,313</b>	<b>2,508</b>	<b>(1,876)</b>	<b>16,945</b>	<b>13,910</b>	<b>2,483</b>	<b>(1,634)</b>	<b>14,759</b>
Donations		741	780	-	1,521	2,062	781	-	2,843
New endowments		-	-	136	136	-	-	552	552
Other capital donations for Mill Lane project		-	2,922	-	2,922	-	12,861	-	12,861
<b>Total income</b>		<b>17,054</b>	<b>6,210</b>	<b>(1,740)</b>	<b>21,524</b>	<b>15,972</b>	<b>16,125</b>	<b>(1,082)</b>	<b>31,015</b>
<b>Expenditure</b>									
Education	4	7,747	2,528	-	10,275	6,477	2,765	-	9,242
Accommodation, catering and conferences	5	9,383	-	-	9,383	8,213	-	-	8,213
Other expenditure	7d	1,868	-	683	2,551	1,918	88	365	2,371
USS Provision	15	(2,340)	-	-	(2,340)	80	-	-	80
Contribution under Statute G,II		23	7	-	30	19	6	-	25
<b>Total expenditure</b>		<b>16,681</b>	<b>2,535</b>	<b>683</b>	<b>19,899</b>	<b>16,707</b>	<b>2,859</b>	<b>365</b>	<b>19,931</b>
<b>(Deficit)/surplus before other gains and losses</b>		<b>373</b>	<b>3,675</b>	<b>(2,423)</b>	<b>1,625</b>	<b>(735)</b>	<b>13,266</b>	<b>(1,447)</b>	<b>11,085</b>
Gain/(loss) on investments	3a	6,005	35	2,961	9,001	35	32	2,395	2,462
Gain/(loss) on disposal of fixed assets		-	-	-	-	1,416	-	-	1,416
<b>(Deficit)/surplus for the year</b>		<b>6,378</b>	<b>3,710</b>	<b>538</b>	<b>10,626</b>	<b>716</b>	<b>13,298</b>	<b>948</b>	<b>14,962</b>
<b>Other comprehensive income</b>									
Actuarial profit/(loss) in respect of pension schemes	15	30	-	-	30	(92)	-	-	(92)
Unrealised surplus on revaluation of fixed assets		22,000	-	-	22,000	-	-	-	-
<b>Total comprehensive income for the year</b>		<b>28,408</b>	<b>3,710</b>	<b>538</b>	<b>32,656</b>	<b>624</b>	<b>13,298</b>	<b>948</b>	<b>14,871</b>

The notes on pages 32 to 44 form part of these accounts.

**Pembroke College**  
**Statement of Changes in Reserves**  
**Year ended 30th June 2024**

	Income and expenditure reserve				Total £000
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	
<b>Balance at 1 July 2023</b>	<b>107,246</b>	<b>76,084</b>	<b>25,335</b>	<b>93,804</b>	<b>302,469</b>
(Deficit)/surplus from income and expenditure statement	6,378	-	3,710	538	10,626
Other comprehensive income	30	-	-	-	30
Release of restricted capital funds spent in the year	17,970	-	(17,970)	-	-
Transfer between reserves	-	-	-	-	-
Revaluation of assets in year	-	22,000	-	-	22,000
<b>Balance at 30 June 2024</b>	<b>131,624</b>	<b>98,084</b>	<b>11,075</b>	<b>94,342</b>	<b>335,125</b>

(note 17) (note 16)

	Income and expenditure reserve				Total £000
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	
<b>Balance at 1 July 2022</b>	<b>90,731</b>	<b>76,084</b>	<b>30,387</b>	<b>90,396</b>	<b>287,598</b>
(Deficit)/surplus from income and expenditure statement	716	-	13,299	948	14,963
Other comprehensive income	(92)	-	-	-	(92)
Release of restricted capital funds spent in the year	15,801	-	(15,801)	-	-
Transfer between reserves	90	-	(2,549)	2,459	-
<b>Balance at 30 June 2023</b>	<b>107,246</b>	<b>76,084</b>	<b>25,335</b>	<b>93,803</b>	<b>302,469</b>

(note 17) (note 16)



The notes on pages 32 to 44 form part of these accounts

**Pembroke College**  
**Balance Sheet**  
**Year ended 30th June 2024**

	Note	2024 £000	2023 £000
<b>Non-current assets</b>			
Fixed assets	8a	231,639	192,688
Heritage assets	8b	673	673
Investments	9	117,887	114,444
<b>Total non-current assets</b>		<b>350,199</b>	<b>307,805</b>
<b>Current assets</b>			
Stock	10	640	678
Trade and other receivables	11	4,894	9,890
Cash and cash equivalents	12	5,289	0
Short-term investments	13	-	11,783
<b>Total current assets</b>		<b>10,823</b>	<b>22,351</b>
<b>Creditors: amounts falling due within one year</b>	14a	<b>(9,641)</b>	<b>(8,831)</b>
<b>Net current assets</b>		<b>1,182</b>	<b>13,520</b>
<b>Total assets less current liabilities</b>		<b>351,381</b>	<b>321,325</b>
Creditors: amounts falling due after more than one year	14b	(14,118)	(14,275)
		337,263	307,050
<b>Provisions</b>			
Pension provisions	15	(2,138)	(4,582)
<b>Total net assets</b>		<b>335,125</b>	<b>302,468</b>
<b>Restricted reserves</b>			
Income and expenditure reserve - endowment reserve	16	94,342	93,803
Income and expenditure reserve - restricted reserve	17	11,075	25,335
		105,417	119,138
<b>Unrestricted reserves</b>			
Income and expenditure reserve - unrestricted reserve		131,624	107,246
Revaluation reserve		98,084	76,084
		229,708	183,330
<b>Total reserves</b>		<b>335,125</b>	<b>302,468</b>

The financial statements were approved by the Governing Body on 12th November 2024 and signed on its behalf by:

**Approved by:**

 Rt Hon Lord Smith of Finsbury (Master)  
 Dr. A Cates (Treasurer and Bursar)

The notes on pages 32 to 44 form part of these accounts.

**Pembroke College**  
**Cash Flow Statement**  
**Year ended 30th June 2024**

	Note	2024 £000	2023 £000
Cash flows from operating activities	21	19,170	15,362
Cash flows from investing activities	22	(11,984)	(10,772)
Cash flows from financing activities	23	(604)	(608)
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>6,582</b>	<b>3,982</b>
Cash and cash equivalents at beginning of the year		(1,293)	(5,275)
<b>Cash and cash equivalents at end of the year</b>	24	<b>5,289</b>	<b>(1,293)</b>

The notes on pages 32 to 44 form part of these accounts.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

<b>1. Academic fees and charges</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>College fees</b>		
Fee income received at the Regulated Undergraduate rate	1,896	1,971
Fee income received at the Unregulated Undergraduate rate	588	463
Fee income received at the Postgraduate rate	959	860
Fee income received at the International Programme rate	2,751	1,633
	<u>6,194</u>	<u>4,927</u>
Other income	457	89
Cambridge Bursary Scheme	148	147
<b>Total</b>	<b><u>6,799</u></b>	<b><u>5,163</u></b>
<b>2. Income from accommodation, catering and conferences income</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
International Programmes	2,709	2,102
Accommodation		
College members	3,607	3,605
Conferences	376	270
Catering		
College members	473	563
Conferences	248	203
<b>Total</b>	<b><u>7,413</u></b>	<b><u>6,743</u></b>
<b>3a. Endowment and investment income</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Income from investments and donations:		
Income drawdown from endowment	3,833	3,659
Freehold land and buildings	1	9
Other interest receivable	548	379
Private placement investment income	153	102
Mill Lane investment income	0	197
	<u>4,535</u>	<u>4,346</u>
<b>Summary of total return:</b>		
Income from:		
Land and buildings	533	609
Quoted and other securities and cash	1,434	1,426
Gains on endowment assets:		
Land and buildings	974	783
Quoted and other securities and cash	5,460	532
Investment management costs in respect of:		
Land and buildings	(567)	(241)
Quoted and other securities and cash	(116)	(125)
<b>Total return for the year</b>	<b><u>7,718</u></b>	<b><u>2,984</u></b>
Total return transferred to income and expenditure reserve (see above)	(3,843)	(3,669)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure	<u>3,875</u>	<u>(685)</u>
Gains on other assets:		
Quoted and other securities and cash (page 25)	<u>2,567</u>	<u>1,146</u>
<b>3b. Investment management costs</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Quoted securities - equities	6	4
Other investments	110	121
	<u>116</u>	<u>125</u>
<b>3c. Other income</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Income from sports facilities and equipment	17	20
Other income	57	122
	<u>74</u>	<u>142</u>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

4. Education expenditure	2024 £000	2023 £000
Teaching	2,425	2,238
Tutorial	1,755	1,518
Admissions and Access	1,149	956
Scholarships and awards	811	600
Other educational facilities	1,984	1,939
Academic community	850	831
	<u>8,974</u>	<u>8,082</u>
Research	1,301	1,160
Total	<u>10,275</u>	<u>9,242</u>

Total expenditure on student support during the year included above was £1.2m (2022 £1.1m).

5. Accommodation, catering and conferences expenditure (2022-23 restated)	2024 £000	2023 £000
International Programmes	2,029	1,791
Accommodation	4,870	4,245
College Members		
Conferences	99	87
Catering	2,132	1,870
College Members		
Conferences	253	220
Total	<u>9,383</u>	<u>8,213</u>

6. Staff costs (2022-23 restated)	Academic 2023-24 £000	Non-academic 2023-24 £000	Total 2023-24 £000	Total 2022-23 £000
<b>Staff costs</b>				
Salaries	1,815	6,578	8,393	6,997
National insurance	163	545	708	629
Other pension costs (see note 20 (d))	433	564	997	1,417
Net change in USS deficit recovery provision (see Note 15)	(2,435)	-	(2,435)	(99)
Sub-total Pensions	(2,002)	564	(1,438)	1,318
	<u>(24)</u>	<u>7,687</u>	<u>7,663</u>	<u>8,944</u>

Based on the 2020 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit of £2,435k (2022-23: (£99k)). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £2,340k (2022-23: debit of £79k) and cash contributions made to reduce the deficit in the year of £95k (cash negative contribution 2022-23: £178k).

Average staff no.s (full time equivalent)	2023-24	2023-24	2022-23	2022-23
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	74	2	68	2
Non-academic	4	174	5	146
	<u>78</u>	<u>176</u>	<u>73</u>	<u>148</u>

The number of officers and employees of the College, including the Head of House, who received remuneration in the following ranges was:

	2024	2023
£100,000 - £109,999	0	0
£110,000 - £119,999	0	1
£120,000 - £129,999	1	1
£130,000 - £139,999	1	2
£140,000 - £149,999	3	0

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

Of the 78 (2022-23: 73) College Fellows and Trustees declared above who are members of the Governing Body, 75 (2022-23: 68) receive remuneration. The Trustees receive no emoluments in their role as trustees of the charity.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated remuneration paid to key management personnel.

During the year, remuneration paid to Trustees in their capacity as Key Management Personnel were:

	2024 £000	2023 £000
Aggregate remuneration	<u>2,315</u>	<u>2,388</u>

**Pension Costs**

The total pension costs included in staff costs for the year (see table above) was:

	2024 £000	2024 £000	2024 £000	2023 £000	2023 £000	2023 £000
	Employers Contributions	Provision (Note 20d)	Total 2023-24	Employers Contributions	Provision (Note 20d)	Total 2022-23
USS	642	(2,435)	(1,793)	990	(99)	891
CFPS	74	-	74	198	-	198
Now Pensions	281	-	281	229	-	229
	<u>997</u>	<u>(2,435)</u>	<u>(1,438)</u>	<u>1,417</u>	<u>(99)</u>	<u>1,318</u>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**7a. Analysis of expenditure by activity 2023-24**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2024 £000
Education (Note 4)	5,227	4,357	691	10,275
Accommodation, catering, and conferences (Note 5)	3,751	3,815	1,817	9,383
Other expenditure (Note 7d)	1,025	670	173	1,868
Investment costs (Note 7d)	-	683	-	683
FRS 102 pension schemes interest charge	(2,340)	-	-	(2,340)
Contribution under Statute G,II	-	30	-	30
	<b>7,663</b>	<b>9,555</b>	<b>2,681</b>	<b>19,899</b>

Loan interest payable for the year to 30th June 2024 was £472k.  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £504k.

**7b. Analysis of expenditure by activity 2022-23 (restated)**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2023 £000
Education (Note 4)	4,757	3,902	583	9,242
Accommodation, catering, and conferences (Note 5)	3,180	3,501	1,532	8,213
Other expenditure (Note 7d)	927	933	146	2,006
Investment costs (Note 7d)	-	365	-	365
FRS 102 pension schemes interest charge	80	-	-	80
Contribution under Statute G,II	-	25	-	25
	<b>8,944</b>	<b>8,726</b>	<b>2,261</b>	<b>19,931</b>

Loan interest payable for the year to 30th June 2024 was £460k (2022-23: £482k)  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £413k.

**7c. Auditors' remuneration**

	2024 £000	2023 £000
Audit fees payable to the College's external auditors	36	33
Other fees payable to the College's external auditors	1	8
	<b>37</b>	<b>41</b>

**7d. Other expenditure (2022-23 restated)**

	2024 £000	2023 £000
Interest charges	460	472
Investment management fees	683	365
Loan interests	390	397
USS pension interest charge	55	79
FRS 102 pension schemes interest charge	-	-
Other expenditure	963	1,058
	<b>2,551</b>	<b>2,371</b>

**8a. Fixed assets**

	College site Buildings £000	Assets in Course of Construction £000	College site Foundress Court £000	Houses for College Members £000	Sportsground & Boathouse £000	Land £000	Furniture & Equipment £000	Total 2024 £000	Total 2023 £000
<b>Cost/valuation</b>									
At 1 July 2023	82,567	28,359	15,010	18,596	820	55,990	3,926	205,268	190,228
Additions	395	17,631	658	572	-	-	376	19,632	16,320
Disposals	-	-	-	-	-	-	-	-	(1,280)
Transfer to investments	-	(13,434)	52	-	-	13,382	-	-	-
Revaluation	(16,126)	-	(568)	1,153	174	24,970	-	9,603	-
Cost/valuation as at 30 June 2024	<b>66,836</b>	<b>32,556</b>	<b>15,152</b>	<b>20,321</b>	<b>994</b>	<b>94,342</b>	<b>4,302</b>	<b>234,503</b>	<b>205,268</b>
<b>Depreciation</b>									
At 1 July 2023	6,460	-	1,534	1,821	132	-	2,633	12,580	10,418
Provided for the year	1,704	-	310	409	27	-	231	2,681	2,258
Disposals	-	-	-	-	-	-	-	-	(96)
Written back on revaluation	(8,164)	-	(1,844)	(2,230)	(159)	-	0	(12,397)	-
Depreciation at 30 June 2024	<b>(0)</b>	<b>-</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>2,864</b>	<b>2,864</b>	<b>12,580</b>
<b>Net book value</b>									
At 30 June 2024	<b>66,836</b>	<b>32,556</b>	<b>15,152</b>	<b>20,321</b>	<b>994</b>	<b>94,342</b>	<b>1,438</b>	<b>231,639</b>	<b>192,688</b>
At 30 June 2023	76,107	28,359	13,476	16,775	688	55,990	1,293	192,688	179,810

The insured value of freehold land and buildings as at 30 June 2024 was £249m (2023 £207m). All of the above assets are used for Collegiate purposes.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**8b. Heritage assets**

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2003 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for those on a cost-benefit basis, they have not been capitalised. As a result, the total cost included in the balance sheet is partial.

Amounts for the current and previous four years were as follows:

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
<b>Total value 1st July</b>	673	644	574	481	206
Acquisitions purchased with specific donations	-	-	-	-	275
Acquisitions purchased with College funds	-	-	70	13	-
Total cost of acquisitions purchased	-	-	70	13	275
Value of acquisitions by donation	-	29	-	80	-
<b>Total acquisitions capitalised in year</b>	<b>-</b>	<b>29</b>	<b>70</b>	<b>93</b>	<b>275</b>
<b>Total value 30th June</b>	<b>673</b>	<b>673</b>	<b>644</b>	<b>574</b>	<b>481</b>

**9. Investments**

	2024 £000	2023 £000
Balance at 1 July	114,444	113,439
Additions	4,159	4,988
Disposals	(11,100)	(6,808)
Transfer from fixed assets	-	-
Gain	8,905	2,428
(Decrease)/increase in cash held by investment managers	1,491	408
Less: change in amount owed to Pembroke House	(12)	(11)
<b>Balance at 30 June</b>	<b>117,887</b>	<b>114,444</b>
General investments	102,294	100,665
Private placement investments	15,593	13,779
<b>Balance at 30 June</b>	<b>117,887</b>	<b>114,444</b>

	2024 £000	2023 £000
Long-term investments:		
Commercial shops	2,505	2,660
Agricultural land	10,939	10,062
Residential property	22,365	22,146
<b>Total investment properties</b>	<b>35,809</b>	<b>34,868</b>
Equities	60,482	62,944
Other investments	15,221	11,736
Cash in hand and at investment managers	6,312	4,416
Loans to Fellows	353	758
Less: amount owed to Pembroke House	(290)	(278)
	<b>117,887</b>	<b>114,443</b>

**10. Stock**

	2024 £000	2023 £000
Kitchen	34	28
Cellar wine	583	626
Bar	23	24
Porters' Lodge	-	-
	<b>640</b>	<b>678</b>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

<b>11. Trade and other receivables</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	169	169
Members of the College	449	283
Debtors and prepayments - Other	2,603	7,278
Debtors due over 1 year	1,673	2,160
	<b>4,894</b>	<b>9,890</b>

<b>12. Cash and cash equivalents</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Current accounts	-	-
Bank deposits	5,289	-
Cash	0	0
Less: amount owed to Pembroke House	-	-
	<b>5,289</b>	<b>0</b>

<b>13. Short-term investments</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Mill Lane deposits	-	11,783
	<b>-</b>	<b>11,783</b>

<b>14a. Creditors: amounts falling due within one year</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts (see note below)	-	1,293
Bank loan	153	107
Trade creditors	2,223	1,481
Members of the College	1,078	858
Accruals and deferred income	5,633	4,389
University fees	2	10
Contribution to College Fund	30	25
Taxes and social security	58	62
Holiday & Bonus accrual	240	288
Other creditors	224	318
	<b>9,641</b>	<b>8,831</b>

<b>14b. Creditors: amounts falling due after more than one year</b>	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Bank loan	871	1,061
Members of the College	347	314
Other loans	12,900	12,900
	<b>14,118</b>	<b>14,275</b>

The original unsecured bank loan was for £2.3 million repayable over 20 years, at a floating rate of interest for the two years until 30 January 2012 and a fixed rate of 6.21% p.a. thereafter.

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £2.9 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £10 million. The loans are unsecured and repayable during 2058, and are at a fixed interest rate of 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**15. Pension provisions**

	CCFPS £000	USS £000	2024 £000	2023 £000
<b>(Deficit) in schemes in beginning of the year</b>	(2,202)	(2,380)	(4,582)	(4,530)
Movement in year:				
Current service cost	(102)	-	(102)	(124)
Contributions paid by College	251	-	251	226
Other finance income	(115)	(55)	(170)	(161)
Actuarial Gain/(Loss)	30	-	30	(92)
Net change in underlying assumptions (see note 6)	-	-	-	-
Change in underlying assumptions	-	2,340	2,340	(79)
USS deficit contributions payable	-	95	95	178
<b>(Deficit) in schemes at end of the year</b>	<b>(2,138)</b>	<b>0</b>	<b>(2,138)</b>	<b>(4,582)</b>
	note 20b	note 20a		

**16. Endowment funds**

	Restricted Permanent £000	Unrestricted Permanent £000	2024 Total £000	2023 Total £000
<b>Balance at beginning of year:</b>				
Capital	49,336	44,467	93,803	90,396
	<b>49,336</b>	<b>44,467</b>	<b>93,803</b>	<b>90,396</b>
New donations and endowments	98	38	136	552
Transfers	-	-	-	2,459
Increase in market value of investments	212	191	403	396
<b>Balance at end of year</b>	<b>49,646</b>	<b>44,696</b>	<b>94,342</b>	<b>93,803</b>
<b>Representing:</b>				
Fellowship Funds	14,008	-	14,008	13,948
Scholarship Funds	6,796	-	6,796	6,667
Prize Funds	1,045	-	1,045	1,041
Bursary/Hardship Funds	-	-	-	-
Travel Grant Funds	4,677	1,336	6,013	7,316
Graduate Funds	1,798	-	1,798	1,791
Other Funds	11,108	-	11,108	11,065
General endowments	10,214	43,360	53,574	51,975
<b>Total</b>	<b>49,646</b>	<b>44,696</b>	<b>94,342</b>	<b>93,803</b>
<b>Analysis by asset:</b>				
Property	15,080	13,577	28,657	28,150
Investments	31,908	28,726	60,634	62,206
Cash	2,658	2,393	5,051	3,447
	<b>49,646</b>	<b>44,696</b>	<b>94,342</b>	<b>93,803</b>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**17. Restricted reserves**

	Capital grants unspent £000	Unspent Permanent £000	Restricted Expendable £000	2024 Total £000	2023 Total £000
<b>Balance at beginning of year:</b>					
Capital	-	3,044	4,379	7,423	6,518
Accumulated income	17,203	187	522	17,912	23,868
	<u>17,203</u>	<u>3,231</u>	<u>4,901</u>	<u>25,335</u>	<u>30,387</u>
Transfers between funds in year	-	36	(36)	-	(2,549)
Increase in market value of investments	-	15	20	35	32
Capital grants	2,922	-	-	2,922	12,861
Donations	-	23	1,121	1,144	1,019
Endowment return transferred	-	1,969	175	2,144	2,047
Other investment income	0	-	-	0	197
Expenditure	(7)	(1,426)	(1,102)	(2,535)	(2,858)
Capital grants utilised	(17,970)	-	-	(17,970)	(15,801)
Movement in the year	<u>(15,055)</u>	<u>617</u>	<u>178</u>	<u>(14,260)</u>	<u>(5,052)</u>
<b>Balance at end of year</b>	<b><u>2,148</u></b>	<b><u>3,848</u></b>	<b><u>5,079</u></b>	<b><u>11,075</u></b>	<b><u>25,335</u></b>
<b>Balance at end of year:</b>					
Capital	-	3,392	4,711	8,103	4,379
Accumulated income	2,148	456	368	2,972	20,956
	<u>2,148</u>	<u>3,848</u>	<u>5,079</u>	<u>11,075</u>	<u>25,335</u>
<b>Representing:</b>					
Fellowship Funds	-	737	1,535	2,272	2,183
Scholarship Funds	-	942	406	1,348	1,132
Prize Funds	-	128	-	128	135
Bursary/Hardship Funds	-	828	535	1,363	1,156
Travel Grant Funds	-	277	79	356	244
Graduate Funds	-	677	881	1,558	1,365
Other Funds	2,148	259	1,643	4,050	19,120
<b>Total</b>	<b><u>2,148</u></b>	<b><u>3,848</u></b>	<b><u>5,079</u></b>	<b><u>11,075</u></b>	<b><u>25,335</u></b>

**18. Memorandum of unapplied total return**

	2024 £000	2023 £000
Included within reserves the following amounts represent the unapplied total return of the College:		
Unapplied total return at the beginning of the year	50,153	50,153
Unapplied total return for the year (see note 3a)	3,875	(685)
<b>Unapplied total return at end of year</b>	<b><u>54,028</u></b>	<b><u>49,468</u></b>

**19. Capital commitments**

	2024 £000	2023 £000
Capital commitments contracted for at 30th June	<u>7,161</u>	<u>20,366</u>

**Other commitments**

The College has committed to invest in various private equity/venture capital funds over the next few years. Commitments, excluding distributions which may be made total \$290k (c £210k).

## 20. Pension schemes

### (a) Universities Superannuation Scheme

#### DEFICIT RECOVERY LIABILITY

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out at: <https://www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles>

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:  1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030
Pension increases (subject to a floor of 0%)	<b>Benefits with no cap:</b> CPI assumption plus 3bps <b>Benefits subject to a "soft cap"</b> of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.50% p.a. Post retirement: 0.9% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2023 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26
Females currently aged 45 (years)	27.2	27.4

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme**

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme. The liabilities of the plan have been calculated, at 30 June 2024, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	<b>2024</b>	<b>2023</b>
	<b>% p.a.</b>	<b>% p.a.</b>
Discount rate	5.1	5.2
Increase in salaries	To 2030: 2.85	3.3
	From 2031: 3.75	
RPI assumption	3.35	3.40*
CPI assumption	To 2030: 2.35	2.80*
	From 2031: 3.25	
Pension increases in payment (RPI Max 5% p.a.)	3.15	3.30*
Pension Increases in payment (CPI Max 2.5% p.a.)	2	2.05*

For 1 year only, we have assumed that RPI will be 9% and CPI will be 7% (2023: 9% and 7% respectively). The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI\_2023 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2023: S3PA on a year of birth usage with CMI\_2022 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.4 years (previously 21.4 years).
- Female age 65 now has a life expectancy of 23.9 years (previously 23.9 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 22.6 years (previously 22.6 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.3 years (previously 25.3 years).

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	<b>Male</b>	<b>Female</b>
Active members - Option 1 benefits	64	64
Deferred members - Option 1 benefits	63	62

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in their calculations.

**Employee Benefit Obligations**

The amounts recognised in the Balance Sheet as at 30 June 2024 (with comparative figures as at 30 June 2023) are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Present value of plan liabilities	(9,721)	(9,525)
Market value of plan assets	7,583	7,323
Net defined benefit asset/(liability)	(2,138)	(2,202)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	76	108
Administrative expenses	16	16
Interest on net defined benefit (asset)/liability	115	82
(Gain)/loss on plan changes	10	-
Curtailement (gain)/loss	-	-
Total	218	205

Changes in the present value of the plan liabilities for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Present value of plan liabilities at beginning of period	9,525	10,847
Current service cost	76	108
Employee contributions	6	4
Benefits paid	(441)	(468)
Interest on plan liabilities	486	405
Actuarial (gains)/losses	58	(1,371)
(Gain)/loss on plan changes	10	-
Curtailement (gain)/loss	-	-
Present value of plan liabilities at end of period	9,721	9,525

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme (continued)**

Changes in the fair value of the plan assets for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Market value of plan assets at beginning of period	7,323	8,716
Contributions paid by the College	251	226
Employee contributions	6	4
Benefits paid	(441)	(468)
Administrative expenses	(25)	(23)
Interest on plan assets	371	324
Return on assets, less interest included in Profit & Loss	98	(1,457)
Market value of plan assets at end of period	<u>7,583</u>	<u>7,323</u>
Actual return on plan assets	<u>469</u>	<u>(1,133)</u>

The major categories of plan assets for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	<b>2024</b>	<b>2023</b>
	<b>%</b>	<b>%</b>
Equities	46%	49%
Bonds & Cash	42%	38%
Property	12%	13%
Total	<u>100%</u>	<u>100%</u>

The plan has no investments in property occupied by, assets used by or financial instruments issued by the College.

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Return on assets, less interest included in Profit & Loss	98	(1,457)
Expected less actual plan expenses	(9)	(7)
Experience gains and losses arising on plan liabilities	(100)	(804)
Changes in assumptions underlying the present value of plan liabilities	41	2,176
Remeasurement of net defined benefit liability recognised in OCI	<u>30</u>	<u>(92)</u>

Movement in net defined benefit asset/(liability) during the year ending 30 June 2024 (with comparative figures for the year ending 30 June 2023) are as follows

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Net defined benefit asset/(liability) at beginning of year	(2,202)	(2,131)
Recognised in Profit and Loss	(218)	(205)
Contributions paid by the College	251	226
Remeasurement of net defined benefit liability recognised in OCI	30	(92)
Net defined benefit asset/(liability) at end of year	<u>(2,138)</u>	<u>(2,202)</u>

**Funding Policy**

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102.

The last such actuarial valuation was as at 31 March 2023. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 4 June 2024 and are as follows:

- Annual contributions of not less than £304,284 per annum payable for the period from 1 July 2024 to 31 March 2030.

These payments are subject to review following the next funding valuation, due as at 31 March 2026.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**20. Pension schemes**

**(c) NOW:Pensions scheme**

The College operates a defined contribution scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £281k (2020 £229k) of which £38k (2023 £32k) was outstanding at the year end. Contributions are collected by Now Pensions by Direct debit a month in arrears

**21. Reconciliation of surplus for the year to cash flows from operating activities**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Surplus for the year	10,626	14,963
<b>Adjustment for non-cash items:</b>		
Depreciation (note 8)	2,681	2,261
(Gain) on endowments, donations and investment property	(9,001)	(2,462)
Donations in kind	-	(29)
(Increase) in stocks	38	10
(Increase) in trade and other receivables	4,996	(7,282)
(Increase)/decrease in short-term investments	11,783	7,603
Increase/(decrease) in creditors	2,089	2,774
Pension costs less contributions payable	(2,380)	(40)
<b>Adjustment for investing or financing activities</b>		
Investment income	(2,669)	(2,721)
Investment management costs	683	365
Interest payable	460	472
Endowment funds invested	(136)	(552)
Gift of heritage asset		
<b>Total cash flows from operating activities</b>	<b>19,170</b>	<b>15,362</b>

**22. Cash flows from investing activities**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Non-current investment disposal	3,843	3,669
Investment income	702	686
Endowment funds invested	136	552
Payments made to acquire non-current assets	(16,665)	(16,820)
Disposal of non-current assets	-	1,142
<b>Total cash flows from investing activities</b>	<b>(11,984)</b>	<b>(10,772)</b>

**23. Cash flows from financing activities**

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
Interest paid	(460)	(472)
Repayments of amounts borrowed	(144)	(136)
<b>Total cash flows from financing activities</b>	<b>(604)</b>	<b>(608)</b>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**24. Analysis of cash and cash equivalents**

	At beginning of year £000	Cashflows £000	At end of year £000
Bank overdrafts	(1,293)	1,293	-
Cash at bank and in hand	0	5,289	5,289
<b>Net Funds (page 28)</b>	<b>(1,293)</b>	<b>6,582</b>	<b>5,289</b>

**25. Lease obligations**

At 30 June 2024 the College had commitments under non-cancellable operating leases as follows:

	2024 £000	2023 £000
Land and buildings:		
Expiring within one year	159	301
Expiring between two and five years	28	301
Expiring in over five years	-	-

**26. Reconciliation and analysis of net debt**

	At 1 July 2023 £000	Cashflows £000	New finance leases £001	Other non-cash changes £000	At 30 June 2024 £000
<b>Cash and cash equivalents</b>	0	5,289	-	-	5,289
<b>Borrowings:</b>					
<b>Amounts falling due within one year:</b>					
Bank overdraft	(1,293)	1,293			-
Unsecured loans	(106)	(47)	-	-	(153)
	<b>(1,399)</b>	<b>1,246</b>	-	-	<b>(153)</b>
<b>Borrowings:</b>					
<b>Amounts falling due after more than one year:</b>					
Unsecured loans	(13,961)	190	-	-	(13,771)
	<b>(13,961)</b>	<b>190</b>	-	-	<b>(13,771)</b>
<b>Total net debt</b>	<b>(15,360)</b>	<b>6,725</b>	-	-	<b>(8,635)</b>

**27. Financial instruments**

	2024 £000	2023 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments (note 9)	60,482	62,666
Other investments (note 9)	15,221	11,736
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Other investments (note 9)	353	758
Cash and cash equivalents (note 9, 12, 13)	6,312	16,199
Other debtors (note 11)	875	545
<b>Financial liabilities</b>		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft (note 14a)	-	1,293
Loans (notes 14a, 14b)	13,924	14,068
Trade creditors (note 14a)	2,223	1,481
Other creditors (notes 14a, 14b)	1,739	1,586

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2024**

**28. Related party transactions**

Owing to the nature of the College's operations and the composition of the College Council (or equivalent), it is inevitable that transactions will take place with organisations in which a College Council member may have an interest. All transactions involving organisations in which a member of the College Council may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

During the current and preceding year no fees or expenses were paid to Fellows in respect of their duties as Trustees.

Fellows are remunerated for teaching, research and other duties within the College as permitted by the Statutes. Fellows are billed for any private catering. The Trustees remuneration is overseen by the Stipends Committee

In addition, the College has provided loans to its Fellows for personal use, and also as part of equity share arrangements. The following amounts are included in Investments in note 9:

	<b>2024</b>	<b>2023</b>
	<b>£000</b>	<b>£000</b>
<b>Loans to Fellows</b>	353	758

The salaries paid to Trustees in the year are summarised in the table below:

<b>From</b>	<b>To</b>	<b>2024 Number</b>	<b>2023 Number</b>
£0	£10,000	31	34
£10,001	£20,000	21	9
£20,001	£30,000	6	6
£30,001	£40,000	5	3
£40,001	£50,000	1	0
£50,001	£60,000	1	1
£60,001	£70,000	2	4
£70,001	£80,000	3	2
£80,001	£90,000	0	1
£90,001	£100,000	1	1
£100,001	£110,000	1	3
£110,001	£120,000	2	0
£120,001	£130,000	1	0
	<b>Total</b>	<b>75</b>	<b>64</b>

The total Trustee salaries were £1,815k for the year (2023 £1,550k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £500k for the year (2023 £770k).

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# Accounts

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**Annual Report & Financial Statements  
Year Ended 30 June 2023**

PEMBROKE COLLEGE

Trumpington Street

Cambridge

CB2 1RF

**Registered Charity No. 1137492**

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**Pembroke College**  
**Contact Information**

**Address**

Pembroke College  
Trumpington Street  
Cambridge CB2 1RF

**Key officers**

Master - Rt. Hon. Lord Smith of Finsbury  
Treasurer and Bursar – Dr.A.Cates  
Senior Tutor –Dr R Mayhew

**Registered charity number**

1137492

**VAT number**

214 2442 08

**Professional advisors:**

**Actuaries**

Cartwright Group Limited  
Suite 7, 2<sup>nd</sup> Floor  
The Hub  
IQ Farnborough  
Farnborough  
Hants, GU14 7JP

**Auditors**

Peters Elworthy and Moore  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

**Bankers**

Barclays Bank Plc  
9-11 St Andrew's Street  
Cambridge  
CB2 3AA

**Principal solicitors**

HCR Hewitsons  
Shakespeare House  
42 Market Road  
Cambridge CB5 8EP

**Principal property managers**

Bidwells  
Trumpington Road  
Cambridge CB2 2LD

Cheffins Limited  
Clifton House  
1-2 Clifton Road  
Cambridge  
CB1 7EA

**Pembroke College**  
**Trustees of the charity**

Rt Hon Lord Smith of Finsbury  
Professor NA Fleck  
Professor MC Payne  
Professor JP Parry  
Dr MR Wormald  
Professor D Robertson  
Dr T Meissner  
Professor CJ Young  
Mr NJ McBride  
Professor N Cooper  
Professor KGC Smith  
Professor V Deshpande  
Dr DN Tambakis  
Professor N Datta  
Professor AC Ferrari  
Professor RP Blakesley  
Professor AW Tucker  
Dr S Learmount  
Professor S Barrett  
Dr A Shadrin  
Revd Dr J Gardom  
Dr K Ettenhuber  
Mr M Mellor  
Professor Sir S O’Rahilly  
Professor G Csanyi  
Professor M Clatworthy  
Dr A Houen  
Professor R Gagne  
Dr M Gorji  
Dr C Burt  
Professor R Johnson  
Dame Professor C Grey  
Dr M Abreu  
Dr S John  
Dr A Cates  
Dr P Cavill  
Professor J Durrell

Dr MJ Sternberg  
Dr HGM Diemberger  
Dr S Cottaar  
Dr TT Weil  
Professor TG Micklem  
Dr IRM Hussin  
Professor P Warde  
Professor M Wyatt  
Dr A Madhavapeddy  
Dr G Hennequin  
Dr D Passolt  
Dr R Laemmler  
Professor N Jones  
Dr M Arbabzadah  
Professor M Hulme  
Dr J Kromdijk  
Dr A Ashraf  
Dr A Prorok  
Dt C Tonooka  
Professor A Cardona  
Professor H Bronstein  
Dr A Asseraf  
Professor R Kilner  
Dr R Mayhew  
Professor R Morieux  
Dr S Ward  
Dr C Kamal  
Dr S Mohamed  
Dr M Colla  
Dr N Crisafi  
Dr C Bloomfield-Gadelha (Start 1 October 2022)  
Dr T Chaffey (start 1 October 2022)  
Dr Z Toprakcioglu (start 1 October 2022)  
Dr L Di Michele (start 8 November 2022)  
Dr F Mancini (start 8 November 2022)  
Dr D Ezerova (start 24 January 2023)

## Pembroke College Operating and Financial Review For the financial year ended 30 June 2023

### Status

Marie de St. Pol founded the College or Hall of Valence-Mary in the University of Cambridge, more commonly known as Pembroke College, in 1347. The College is an autonomous, self-governing community of scholars, and one of the thirty-one Colleges within the University of Cambridge. The College is a registered charity and its registered charity number is 1137492.

### Aims and objectives

The College is an institution of higher education. Its purposes are the promotion of education, religion, learning, research and scholarship, and the personal and intellectual development of its members. The College admits (as junior members) undergraduate and postgraduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its purposes, and it supports teaching and research in the University. In furtherance of its objectives, the College maintains and manages an investment portfolio, including properties. Besides financial and tutorial support, it provides accommodation, catering, and other services to its members and to others. Governance arrangements for the College are set out on page 12.

### Overview of the Year

On page 26, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £14.9m (2021-22 surplus £6.7m). The SOCIE is a statement of all movements of the net assets of the College between one year and the next. Therefore, it reports all operating income and expenditure, investment gains and losses and other adjustments, e.g. total return and pension adjustments. Investment gains were £2.4m (2021-22 £3.8m). Mill Lane restricted gifts were £12.9m (2022-23 £7.7m). In the year, the USS pension provision remained as 21-22 level (2021-22 increase of £1.3m) and the CCFPS actuarial deficit also increased by £0.1m (2021-22 decrease of £1.2m). The boxed section on page 26 is, in effect, the operating result as reported for the year. Therefore, the College reported a deficit of £734k for 2022-23 compared to £4.7m shortfall for 2021-22, a strong variation principally due to the International Programmes back in the summer 2022 and a full programme of semester students (total income £3.8m)

The College management accounts for the year reported an almost breakeven position (2021-22 deficit of £0.9m). The difference between that and the RCCA deficit of £734k is as follows:

Reconciliation to SOCIE	£'000
Management accounts surplus	10
Capitalised maintenance projects	375
Depreciation	(2,261)
USS deficit	99
Exceptional Legacy	1,200
Other	(156)
Surplus/(Deficit) as per SOCIE	(734)

The College had planned for a shortfall of c.£670k for 2022-23 in its management accounts. Although activity has been slow to recover since the COVID pandemic, this financial year has seen a small recovery in conference and events. The Development team and the Master had successful tours to the East and West coasts of the US and Singapore and Hong Kong. 4 Mill Lane opened in July 2022 and was used by the International Programmes for their summer programmes. During the academic year, some rooms were also let to the university of Cambridge which contributed to the increase in external income. Further in-year savings were made as the College carried staff vacancies in some departments; recruitment is proving challenging and the College is always looking at how to attract and retain staff. Sickness absences have drastically reduced over the last couple of years and the staff survey carried out during the year showed some very positive steps have been achieved in recent years.

The first phase of the Mill Lane development was officially opened in June 2023 and benefactors were very impressed by the buildings. The completion of the second phase is planned for April 2024 with students occupying premises next

## Pembroke College Operating and Financial Review (continued)

academic year.

The Balance Sheet shows net assets of £302.5m (2021-22 £287.6m), including investments of £114.4m (2021-22 £113.4m), where £100.6m relates to endowment assets. Total assets include short-term investments of £11.8m (2021-22 £19.4m) which consist of gifts (net of expenditure) to fund the Mill Lane project.

### Students

The College admits as students those who have the greatest potential to benefit from the education provided by the College and the University, and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of background.

The 2022-2023 year has had its challenges with regard to admissions, as England returns to pre-COVID grading levels, whilst the devolved nations have taken a more staggered approach. Shortlisting for interview also remained challenging, as this cohort of applicants were awarded GCSEs (rather than having sat exams). The vast majority of applicants would have sat GCSEs in 2021, when the highest number of students achieved top grades (c.30%). This, in addition to the College receiving more applicants than ever before, meant that the College conducted more interviews, and that competition for places was more intense.

The undergraduate selection process remained online, including interviews and both the Summer and Winter Pools. The number of students accepted by Pembroke in 2023 dropped marginally below the usual levels of admittance, despite cover ratios being adapted according to the circumstances. This is due to the difficulty in setting cover ratios in such unprecedented circumstances.

Undergraduate student applications are shown below, showing the level of diversity of students attending Pembroke.

### Applicants

- Number of applicants 1043 (2021-2022 946)
- Arts 507 or 48.6% (2021-2022 48.2%); Science 536 or 51.4% (2021-2022 51.8%)
- Male 507 or 48.6% (2021-2022 47.8%), female 536 or 51.4% (2021-2022 52.2%)
- Home (including refugees) 774 or 74.2% (2021-2022 74.4%); Overseas and EU 269 or 25.8% (2021-2022 25.6%)
- Home state school applicants – maintained sector 567 or 73.3% (2021-2022 471 or 68.6%); independent sector 207 or 26.7% (2021-2022 or 31.4%)

### Offers

- Number of offers made for 2023 entry 158 (15.1% of applicants) (2021-2022 160 or 16.9%)
- State educated 73%, independent educated 27% (of home offers) (2021-22 78.9% and 21.1%)
- Male 47.5%, female 52.5% (2021-2022 49.4% and 50.6%)

The College charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to Student Support. Accommodation and meal charges at reasonable rates.

### Widening Participation

The College's work in the area of widening participation helps young people from backgrounds which are traditionally under-represented at Cambridge to have confidence in their ability and to consider applying to top universities, including Cambridge. It equips the students with information relevant to their stage in the student life cycle, and about how to understand the additional elements of the application process at Cambridge. In particular we work to debunk myths about what we are looking for in successful applicants. The events that we deliver are targeted according to the stage participants are at; for example, sixth formers benefit from sessions targeted at the application process and super curricular exploration, whilst key stage 4 students receive support on A level selection and early preparation. In addition, we work with teachers to help them more fully understand what we are looking

## **Pembroke College Operating and Financial Review (continued)**

for in applicants, and how our application process works, enabling them to better advise the students with whom they are working. Our programme includes both events that work with school groups, and those with a focus on individual applicants.

The 2022-2023 academic year saw a continuation of a hybrid offering, that was first implemented the previous year: many events continued or returned to being delivered in person, whilst others remained online. The format was decided according to selection criteria: the more intensive in person events were more specifically targeted at those with widening participation characteristics, with the exception of participation in the university-wide open days.

Our event programme is frequently reviewed and updated as appropriate; in the coming year it will include masterclasses, personal statement workshops, visit days, open days, remote interview sessions, residential events, virtual tasters, and participation in a collaborative project with The Gurdon Institute and St Catharine's College – amongst other activities. Within total admissions and access costs of £1m shown on page 31, £0.5m was spent on Access and Widening Participation activity in the year.

### **Student Support**

In order to assist undergraduates entitled to Student Support, the College provides, through the Cambridge Bursary Scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. That scheme was approved by the Office of Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. In total £1m has been provided to students through this and other College provision over the last three years as detailed in the table. The majority of bursary support is provided through the Cambridge Bursary Scheme. In addition, undergraduate studentships have been supported over the same period with £56k of funding.

The College also provides substantial financial support to its postgraduate students. This has amounted to £1.3m over the past three years and includes scholarships to fund fees and living costs, as well as 'top-up' funding to fill shortfalls in students' funding packages.

The College supports all students through a grant scheme to assist with the purchase of books and equipment, attendance at conferences, childcare support, vacation study, counselling and travel grants. Additional counselling support continues to increased and has increased by 25% in 2022-23 to c.£70k, in addition to the other support offered to students such as via the University/College counselling services. Due to the Marking Boycott within the University of Cambridge, not all Prizes and Scholarships have been awarded for the Academic year 2022-23. The figures below include an estimate and will be adjusted with the 2023-24 accounts. The final awards will be distributed to Students in November 2023.

In addition to its other programmes, the College operates a maintenance/hardship scheme for students in financial hardship which has provided £0.4m of assistance in the past 3 years.

## Pembroke College Operating and Financial Review (continued)

The following table shows the awards made to students over the three years to June 2023:

Support (£'000)	2020-21	2021-22	2022-23	3 Year Total
Postgraduate studentships	467	334	432	1,233
Undergraduate studentships	19	23	30	72
Cambridge Bursaries & other support	319	343	329	991
Prizes and scholarships	96	57	97	250
Maintenance/rent rebates	133	128	107	368
Book grants	17	9	13	39
Research expenses	6	22	67	95
Counselling support	40	56	69	165
Vacation study	56	49	41	146
Other awards	27	47	66	140
<b>Total awards</b>	<b>1,180</b>	<b>1,068</b>	<b>1,251</b>	<b>3,499</b>

The College's aims in the area of student funding are to support academic excellence irrespective of financial background, in a diverse and interdisciplinary community. We wish to attract the most able students and enable them to reach their academic potential. This area is managed by the Student Finance Committee reflecting the growing complexity and budget of student funding. In order to achieve the greatest possible accountability, the committee shall: 1) support strategic and budgetary planning; 2) allow for adaptability in light of changes to University and national/external funding policy landscape; and 3) respond to the needs of other sections of the College including, for example, the Admissions, Postgraduate, and Development Offices. What is covered by the student funding policy falls into three broad areas: 1) Means tested undergraduate student support, in partnership and in addition to the Cambridge Bursary scheme; 2) non-means tested postgraduate studentships awarded at entry in partnership with the University complemented by a Pembroke MPhil Scheme; 3) General support available to all students. General support for undergraduates includes vacation study grants and academic enrichment, hardship funds, counselling and medical fee support, general travel awards as well as subject specific expenses. Postgraduates have the opportunity to apply for research specific travel and conference support, as well as support-in-kind for Pembroke student led symposia/conferences in Cambridge, academic enrichment and hardship funds; counselling and medical fee support

### Academic performance

In 2022-23, Pembroke College continued its excellent performance for undergraduate examination results despite the difficult operating environment throughout the year, including a marking boycott.

### Employees

In order to fulfil its charitable purposes, the College employs as Fellows: College Lecturers, Supervisors, Director of Studies, Tutors, Clergy and senior administrative officers, all of whom, along with the Master, serve as charity trustees through being members of the College's Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's objectives and their employment directly contributes to the fulfilment of those aims (although paying Fellows who are trustees is allowed by the Charity Commission). The benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally; furthermore, annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge. The total number of Fellows in the year was 73 (2021-22 72) excluding Life Fellows. The College also employs 148 other FTE (2021-22 142) members of staff to provide the professional, academic and service support necessary to run the College. The increase is mainly due to the fact that College's operations are gradually going back to pre-pandemic levels and the College has started to fill vacancies where necessary.

## **Pembroke College Operating and Financial Review (continued)**

### **College Decarbonisation**

The College is committed to the decarbonisation agenda and has a strong record in its actions to protect the environment.

#### *Its Investments:*

The College was the first to adopt an ethical investment policy (see <https://www.pem.cam.ac.uk/college/about-pembroke/legal-information/investment-statement>). The Fellowship and Senior Management are working with all the College investment managers to ensure the college portfolio is increasingly free of investment in tobacco, armament and fossil fuel. The College has been proactively engaged its banks on their environmental record since 2016, starting with the Lakota pipeline Financing, and continues to be involved with the Banking Engagement Forum with other Colleges joined in this by the University and the National Trust.

#### *Its buildings, gardens and lands:*

The college was a pioneer in decarbonising its current building stock, managing the challenges of medieval buildings. This began with Solar PV installation on the ports pavilion in 2008, followed by the roof of Foundress Court, in 2011, and a borehole to allow watering the College gardens without using scarce local water supplies. The college invested £1.5m in renewing its heating system and insulating rooms to better energy efficiency, and we continue to add insulation and secondary glazing when we refurbish properties. A third of our student bedrooms, and most of our offices now have heat movement detectors, so the rooms are not heated when they are not occupied. Most of the College is now fitted with LED lightbulbs. The first Air Source Heat Pump was installed in 2022 in one of its hostels after a successful a SALIX grant application. In 2023, the College was successful with two new SALIX applications for larger air source heat pumps, one for the Foundress building and one for 26 Barton Road to a total of over £0.7m

The flagship Mill Lane development has also been designed with the environment in mind, with a significant area of additional Solar PV and with air source heat pumps providing hot water and heating to all the student rooms and the Auditorium and teaching spaces. The new Student block has high spec insulation, and carefully designed recessed windows, with Solar glass to reduce the need for cooling in summer (the main structure can be cooled using heat pumps transferring excess heat to the Hot Water).

The college also owns 170 acres of woodland in Cambridgeshire as well as some allotments offered to Cambridge residents which contribute to the general wellbeing of its members and the public in general.

Its sportsgrounds on the edge of Cambridge have hedgerows of wildflowers; the head gardener has also dedicated some areas of the college to wildflowers to promote insects and bees' population.

#### *Its operations:*

The Consultative Committee on Sustainably and the Environment meet at least one a term and includes members representing the whole college: Undergraduates, Postgraduates, Staff and Fellows. The committee is very active and has contributed to the college's actions.

All departments of the college understand their part to play in tackling environmental challenges.

The Development Office has resumed its in-person activities with members and alumni post-COVID. This poses some challenges as travel is indispensable to meet overseas alumni of which 10% live in the US. However, all marketing is moving towards electronic only, with the Martlet sent electronically to all alumni matriculated from the year 2000 and all Christmas cards are now sent via email.

The Catering department is reducing the use of disposable containers for staff and students by asking them to bring their own containers should they wish to have takeaways. They also display prominently in the servery posters with relative carbon footprint of various food contributors. There will always be a daily offer of plant-based dishes as well as a vegetarian option. Food wastage is reduced as much as possible with either re-using unconsumed items to make other dishes and if not possible by recycling what needs to be thrown away. Students are encouraged to recycle when possible and recycling bins are prominent in the Hall as well as in gyp rooms.

IT is moving more and more of its provision onto the Cloud and chooses suppliers with good carbon footprint credentials. The team have also installed power management in most equipment and where possible air cooling is to be replaced by water cooling (mitigating risks of flooding). HR is introducing environment training in its induction to new staff and all documents are now electronic.

The college has been an advocate of flexible working for a long time, thus reducing cars on the roads. It was the first college to introduce an Electric Vehicle salary sacrifice scheme to all staff and fellows who qualify. Charging points have been installed in the college. The cycle to work scheme is also very popular.

## Pembroke College Operating and Financial Review (continued)

When replacing machinery, the college will buy/lease electric options is available. It has recently bought a new battery sit-on mower which also reduces noise pollution.

### Beneficiaries

The Master and Fellows of the College receive a number of benefits as beneficiaries. These include accommodation, loans, research grants, conference grants and book grants. These benefits are provided with the intention of furthering the College's aims and primarily that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to others in the sector.

### Funding of the College

Pembroke College is funded from a series of sources. Including endowment gifts, the principal elements of income are as follows:

<i>Income Source</i>	2020-21		2021-22		2022-23	
	£'000	%	£'000	%	£'000	%
Student fees	3,231	28%	3,319	22%	3,295	17%
Student rents	1,984	17%	2,753	18%	3,171	17%
Student catering and bar	355	3%	382	2%	552	3%
Bequests & Donations	1,647	14%	2,574	17%	3,373	18%
Endowment	3,422	29%	3,534	23%	3,727	20%
International Programmes	(1)	0%	1,741	11%	3,736	20%
Conference	12	0%	191	1%	466	2%
Other	960	8%	831	5%	763	4%
<b>Total</b>	<b>11,610</b>	<b>100%</b>	<b>15,325</b>	<b>100%</b>	<b>19,082</b>	<b>100%</b>

### Financial performance

The College manages its finances through a set of management accounts. During the year, the College managed its budget breaking even, bettering the forecast. This is mainly due to increased unrestricted donations and legacies from the Development office and carrying a number of vacancies throughout the year as it is still challenging to fill posts in some areas of the College. International Programmes saw the return of in-person summer programmes and full Semester activities, resulting in very encouraging performances. Catering income has increased by £200k after remaining flat for 2 years, showing a slow recovery following the COVID years. Conference and events income is gathering pace as in-person events too place on site; the college also started renting some of the Mill Lane site to third parties.

During the year, the College's net assets increased to £302.5m (see pages 27 and 28). Donations and legacies to the endowment amounted to £0.6m. Investment assets, including private placement funds invested, increased by £1m despite a challenging from £113.4m to £114.4m investment environment.

College income was £31m in 2022-23 (2021-22: £21.4m). Whilst Academic Fees and Charges increased by 8%, Income from Catering & Accommodation rose significantly (+£2.4m), reflecting the return to more normal operations for the College (with semester Programmes restarting and students back in College accommodation). The College also recorded £12m income for the Mill Lane site, although £5.5m will be received over the next few years. Expenditure (see page 26), in the boxed section, reports a net deficit of £0.7m (2021-22 deficit £4.8m). Depreciation accounted for £2.3m and the USS pension provision remained stable for 2022-23

### Other financial issues of note from the RCCA are:

- Fees in note 1 include College fees from IP Semester students £1.6m (2021-22 £1.2m). Total income from accommodation, catering, International Programmes and conferences (note 2) was £6.7m, an increase of £2.5m from the previous year, mainly due to International Programmes returning on site from summer 2022. Income from College Members accommodation increased to £3.6m (2021-22 £2.9m). Student weekly rents increased by c 7%.
- Investment drawdown was largely unchanged at £3.7m. Drawdown is calculated on a 4-year weighted average investment portfolio at 3.6%. Drawdown from actual investments at 30<sup>th</sup> June 2022-23 was 3.6% (2021-22 3.8%) in the year.

## Pembroke College Operating and Financial Review (continued)

- Education costs increased from £8.4m to £9.2m. Subsequently, the education expenditure per student excluding research costs in the year went up to £13,113 per undergraduate (2021-22 £14,499) and £9,158 per postgraduate student (2021-22 £8,607). Increases are mainly due to a return to near-full staffing after 3 years
- The total costs of accommodation, catering and International Programmes (note 5) increased to £8.2m (2021-22 £6.7m), as International Programmes students came back from July 2022 and activities resumed during the academic year.
- The contribution to the Colleges' Fund was £25k on page 26 (2021-22 £34k).

### Development activity

The total income from donations received was £16.2m (2021-22 £10.4m). This includes income detailed on page 26 (donations, endowment gifts and capital donations). The breakdown is as follows:

	£'000
Annual Giving & Unrestricted Legacies	1.6
Restricted fund Annual Gifts	0.9
Unrestricted Endowment Gifts	0.4
Corporate Donations	0.4
Capital Gifts - Mill Lane	12.9
<b>Total</b>	<b>16.2</b>

Within total College expenditure of £19.9m, a total of £1m was spent on fundraising, corporate partnerships and alumni relations, including £0.5m on general fundraising.

### Staffing costs and pension schemes

The College makes pension-fund contributions on behalf of its employees to two defined-benefit schemes: the Cambridge Colleges Federated Pension Scheme (CCFPS) on behalf of some non-academic staff, and the Universities Superannuation Scheme (USS) on behalf of academic and other staff. Notes in respect of pension schemes are shown on pages 37 to 40 of the accounts. New non-academic staff are auto-enrolled into the NOW:Pension Scheme (a defined contribution scheme) when they become eligible.

Payroll costs (academic and non-academic) in note 6 increased to £8.8m (2021-22 £8.3m); despite the College seeing in-person activities back on site (College events, Alumni events, Summer Programmes), due to a challenging labour market, the College has carried a number of vacancies in some departments which resulted in in-year savings.

### Capital projects 2022-23 and future works/discretionary projects

During the year, the main projects were to refurbish several student hostels and V staircase. Expenditure on the Mill Lane project in the year totalled £16m which mainly related to the development of plans for the finalisation of Phase 1 of the project and the construction of Phase 2. 4 Mill Lane was completed in time for the International programme students to use the premises in the summer 2022; The Auditorium and Millstein House were officially opened in June 2023.

The major projects planned in 2023-24 include: Continued work to develop Mill Lane site with completion of Phase 2 planned for April 2024. Budgets for 2022-23 include work to renovate O Staircases, student hostels (11 and 12 Fitzwilliam Street). The College was successful in applying for two substantial Air Source Heat Pump grants, one for Foundress Court and one for 26 Barton Road, totalling c.700k which will contribute to the decarbonisation of the College.

## Pembroke College Operating and Financial Review (continued)

### General investment performance and cash management

The College holds a well-diversified portfolio covering most asset classes. The breakdown of assets in the investments portfolio at 30 June 2023 and 30 June 2022 is as follows:

	2021-22		2022-23	
	£'000	%	£'000	%
Investment vehicle				
Managed cash (other than operating balance)	3,322	3.3%	1,242	1.2%
Equities	49,100	48.8%	52,067	51.7%
Alternative investments (hedge funds, derivatives)	-	0.0%	-	0.0%
Property funds	12,536	12.5%	10,522	10.5%
College property – shops, land and commercially held properties	33,469	33.2%	34,868	34.5%
Private equity, venture capital	1,367	1.4%	1,209	1.2%
Other investments	763	0.8%	758	0.8%
<b>Total endowment investments</b>	<b>100,557</b>	<b>100.0%</b>	<b>100,666</b>	<b>100.0%</b>
Overall investment growth	3.49%		0.11%	
Drawdown for spending	3.70%		3.60%	
<b>Total return</b>				
<b>Private placement investments (note 9)</b>				
Managed cash	612	4.8%	2,995	21.7%
Equities	12,268	95.2%	10,782	78.3%
<b>Total other investments</b>	<b>12,880</b>	<b>100.0%</b>	<b>13,778</b>	<b>100.0%</b>
<b>Total investment portfolio (note 9)</b>	<b>113,437</b>		<b>114,443</b>	

The College general investments are reviewed at two meetings a year by the Investments Committee. External managers are employed to manage specific elements of the investment portfolio. The College has a challenging long-term target total return of CPI plus 4%, i.e. to support investment drawdown plus educational inflation. During 2022-23, the investments remained flat at £100.6m. In addition, the College holds £13.8m of investments in respect of private placement loan proceeds invested (with a further £1.4m still to invest). The loan repayment terms are described on page 34 (total loans £12.9m).

The College has a target of ensuring the investment portfolio has at least 5% invested in liquid funds (realisable in 0-10 days) and 9% in semi-liquid (realisable in 11 days to 6 weeks). The level of drawdown in 2022-23 was 3.7% of the 4-year weighted average investment level (or 3.8% of the actual investments at 30 June 2022).

The College's current investment approach, last updated in October 2019, is that the College has no direct investments in businesses which are predominantly involved in tobacco, arms, or fossil fuels. When considering whether to invest in pooled funds, where it is often impossible to specify exceptions, the level and materiality of investment is carefully considered. All College investment holdings (and the investment policy) are declared regular intervals on its website here: <https://www.pem.cam.ac.uk/college/about-pembroke/legal-information/investment-statement>

A divestment statement was also made here: <https://www.pem.cam.ac.uk/college/news/statement-divestment>. The College is also committed to regularly challenging its bankers and investment managers in respect of such areas as fossil fuel lending, exercise of voting rights and other ESG matters.

### Reserves policy

The College unrestricted reserves total £183.3m (2021-22 £166.8m) (page 28). This total does not include £44.5m of unrestricted endowment reserves in note 16. These reserves exist to support future generations of students, both through the provision of operational buildings and also income to partially support educational services. Reserves of

## **Pembroke College Operating and Financial Review (continued)**

£44.5m are insufficient to meet the income needs of the College and as such are supplemented by other income such as from International Programmes and fundraising. As the College is a long-term institution, reserves are held with a long-term view but an element of the unrestricted reserves could be spent as permissible by Statute and Ordinances. The Governing Body has set a minimum level of unrestricted endowment reserves of £35m that it would prefer to remain above, notwithstanding short-term stock market fluctuations. The College has an aim to repay from future surpluses any annual deficits incurred during the pandemic, but that the timing of this repayment will be assessed as more normal conditions return over the next two or three years.

Restricted reserves total an additional £74.7m (excluding £44.5m above), which includes unspent Mill Lane gifts (£17.2m). The restricted reserves can only be spent on purposes set down by the donor.

### **Challenges Ahead**

Due to the COVID-19 pandemic, the financial implications for the coming few years are likely to be significant and far-reaching. The College's budget of a £0.7m deficit was set for 2022-23. The College aims to return to an operational surplus in due course. However, the current geopolitical situation creates challenges in many respects.

(a) Investment performance is likely to be negatively impacted

(b) Although the College plans to increase student rents by an average of 7% per year, underlying inflation is well ahead of this.

(c) It is becoming increasingly challenging to recruit staff in some areas (catering in particular) and pressure on salaries are mounting. The College constantly reviews its offering to staff and strive to improve and enhance support on mental health, training and development

(d) Building refurbishment programmes would continue as planned.

The College will continue to review how the financial deficits for 2021-2023 will be managed. The deficit is likely to be funded over a number of years, in particular to ensure that the College is not borrowing operating cash for longer than necessary so as to spread the deficit recovery over several generations of members. The College has sufficient cash reserves to fund the deficit for at least the next two years as it decides how to manage the longer-term implications of the deficit and is therefore considered by the Trustees as a going concern. However, it will be important to ensure sufficient unrestricted, i.e. non-Mill Lane and endowment cash, exists to avoid the need for external borrowing. There appears to be no immediate need to change reserves policy and the drawdown policy remains broadly the same, although the College is reducing the percentage drawdown to 3.5% of the weighted average endowment over a 5-year period (from 4%).

In addition to its normal operations, the College is managing a major expansion of its operations on the Mill Lane site, which is adjacent to the Medieval footprint of the College. The Mill Lane site Phase 1 opened in 2023 with an Auditorium with Foyer, Gallery, Wellness Centre, new café, and Partnership centre. The next phase of the project due to open in April 2024 will include nine teaching and General purpose rooms, a Gym, offices, two shop-front commercial units and over a hundred student rooms. The total capital cost of these facilities will be around £85m (including land acquisition on a 200-year lease). The College is not intending to increase its student numbers, but these facilities will enable it to accommodate more students close to its centre and improve the quality of its operations.

Approved by: ..



**Dr A Cates (Treasurer and Bursar)**

**Date of approval: 7<sup>th</sup> November 2023**

## **Pembroke College Corporate Governance and Public Benefit Statement**

### **Governance**

The Master and Fellows constitute the Governing Body of the College, to whose meetings are invited Junior Member representatives (for open business). The Governing Body is constituted and regulated in accordance with the College Statutes. The body is responsible for the strategic direction of the College, for its on-going administration, and for the management of its finances and assets. Meetings are held ten times a year under the chairmanship of the Master. Supporting the Governing Body is a range of committees including: Finance & Scrutiny, Development, Planning, Fellowship, Investment, Consultative, Teaching, Buildings and International Programme. Responsibilities of the Governing Body are more fully described on page 15.

The Governing Body members are also the Trustees of the charity and are listed on page 2. The principal officers are listed on page 1. There are Registers of Interests of Trustees and declarations of interest are made systematically at meetings.

### **Risk assessment**

The major risks to which the College is exposed are reviewed regularly by the various College committees named above and reported to the Governing Body. Systems are in place, or are in the process of being established, to mitigate identified risks. The College Health & Safety Policy Statement is reviewed regularly and endorsed by the Governing Body and is displayed throughout the College. As part of this policy, the process for reporting accidents at work is described. The College maintains a general risk register which is updated and reviewed regularly with consideration of the necessary controls to mitigate those risks. The College also carries insurance against key business and financial risks. College departments have also carried out their own risk analysis with assistance from an outside consultant, which includes a review of critical systems and allowable recovery times. Furthermore, the project management of the Mill Lane project also includes a detailed risk register. Aside from the Mill Lane project, examples of (among many) key risk areas include:

- For the foreseeable future, the College is attempting to identify, assess, record and manage the risks associated with the COVID-19 pandemic. The College has followed Government and University guidelines in terms of this risk assessment exercise; is currently documenting its processes and procedures in different areas; participating fully in collegiate and University discussions and groups; communicating as effectively as possible with its' key stakeholders; ensuring that all financial controls are at least as robust as they were before the changed working environment.
- Poor academic performance – investment in educational resources and people to deliver high quality education; recruitment of high-quality students regardless of background.
- Future of home/EU tuition fees – continue to work with the University and other organisations to achieve the fairest allocation of resources.
- Attracting the best, most able students – ensuring Widening Participation and Admissions processes are well resourced and thorough.
- The degree of reliance on International Programmes income – ensuring the College diversifies IP and other College activities; forward planning to protect this valuable source of income.
- Recruitment and retention of staff and Fellows – investment in staff salaries and other benefits which are competitive in our market; investment in training for career development and support whilst in post.
- Pension provision for staff and Fellows – ensuring the long-term viability of pension provision across all three schemes.
- Availability of accommodation – maintaining and investing in buildings to ensure they are of suitable quality and house all Pembroke students who wish to be housed.
- Building projects being completed on time – ensure all major building projects have robust plans and budgets which are monitored over the project life.
- Success of fundraising and alumni relations – investment in the Development Office to enable a comprehensive programme of activities and fundraising to take place.
- Undergraduate tuition fees have not risen with inflation and they are unlikely to increase in the near future. This creates a risk of further attrition of fee levels by inflation.

## **Pembroke College**

### **Corporate Governance and Public Benefit Statement (continued)**

#### **Environmental policy**

In achieving excellence in teaching and research, Pembroke College manages its activities, buildings and estates to promote environmental sustainability, conserves and enhances natural resources and prevents environmental pollution to bring about a continual improvement in its environmental performance.

The College has an environmental policy statement which is reviewed regularly and endorsed by the Governing Body and is displayed in the College. The College has a Consultative Committee for Sustainability and the Environment which meets twice termly to discuss related issues.

#### **Equal opportunities**

Many matters relating to recruitment and employment matters are covered in the Staff Handbook. The College is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The College's employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on any grounds that are unjustified in terms of equality of opportunities for all.

#### **Public benefit statement**

In accordance with its Founding Charter and Statutes, the College's charitable purpose is to advance education, religion, learning and research for the public benefit by the provision, support and maintenance of a College in the University of Cambridge. A full statement of the public benefit it provides has been lodged with the Charity Commission. It is summarised as follows:

##### **Education:**

- The provision, in conjunction with the University of Cambridge, of an education for some 763 undergraduate and postgraduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills and so prepares them to play full and effective roles in Society.
- The provision of teaching facilities and individual or small group supervisions, as well as pastoral, administrative and academic support through its tutorial systems.
- Social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

##### **Research:**

- The provision of Research Fellowships to outstanding academics at an early stage of their careers, enabling them to focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.
- Supporting the research work of its other Fellows by promoting interaction across disciplines, providing facilities and grants for conferences, research trips, and materials.
- Encouraging visits from outstanding academics from abroad.
- Encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College also carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, it maintains and supports a Chapel and holds services which are open to the general public and visitors. Through the College Dean of Chapel, it supports the emotional, mental and spiritual well-being of all members of the College whatever their faith tradition or none. It is also the Patron of 14 parishes and maintains its historic link with Pembroke House, in Walworth, South London, a Charity whose aims overlap with those of Pembroke College, working in an area of high deprivation.

## **Pembroke College**

### **Corporate Governance and Public Benefit Statement (continued)**

The College maintains an extensive library, so providing a valuable resource for members of Pembroke, other Colleges, and the University of Cambridge more widely as well as external scholars and researchers and the public through regular exhibitions and the digitization of special collections materials.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research. However, beneficiaries include students and academic staff from other Colleges in Cambridge and from Cambridge University more widely, visiting academic staff from other higher education institutions and visiting school children who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend educational activities in the College such as exhibitions.

#### **Development**

The College has a Development and Corporate Partnership team of around 12 FTE which includes permanent staff and student telephone fundraisers. This team provides support for all fundraising, alumni relations and corporate partnership activities of the College. A Development Committee consisting of Fellows oversees Development activities and meets twice a term. There is also a Campaign Board which includes up to 20, mainly external, members and meets once per term. The College uses an external organisation to assist with the annual telephone fundraising campaign. On a less formal basis, the College also has a number of Alumni Chapters around the world which helps to support and promote the College. In addition, the College will soon create a number of Campaign Ambassadors to assist with networking and develop prospects around the world. During the year, there were no complaints. Pembroke College subscribes to the Fundraising Regulator's Code of Fundraising Practice.

## **Pembroke College Responsibilities of the Governing Body**

The Governing Body is responsible for the administration and management of the College's affairs.

The Governing Body presents audited financial statements for each financial year. These are prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards, including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

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

In causing the financial statements to be prepared, the Governing Body has sought to ensure that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

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

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Pembroke College**

### **Independent auditors' report to the Governing Body of Pembroke College, Cambridge**

#### **Opinion**

We have audited the financial statements of Pembroke College (the 'College') for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2023 and of its 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 and the Statutes of the University of Cambridge.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Statutes of the University of Cambridge**

In our opinion based on the work undertaken in the course of the audit:

- The contribution due from the College to the University has been computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

## **Pembroke College**

### **Independent auditors' report to the Governing Body of Pembroke College, Cambridge (continued)**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review.

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

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Governing Body**

As explained more fully in the responsibilities of the Governing Body statement set out on page 14, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

## Pembroke College

### Independent auditors' report to the Governing Body of Pembroke College, Cambridge (continued)

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the College's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### Use of our report

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



#### PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date: 16 November 2023

Peters Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## **Pembroke College**

### **Statement of Principal Accounting Policies**

#### **1. Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 7.

The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

#### **Going concern**

The COVID pandemic impact is still being felt by the College. International Programmes started again in person in 2022-23, and the Pembroke Summer Programmes were held in July and August 2022 in the new buildings on Mill Lane. However, the global geo-political situation is putting further pressures on the College, with general inflation increasing rapidly, investment performance likely to be negatively impacted and staff recruitment proving challenging in some departments.

The Trustees have prepared forecasts for the period to 2027 based on high level assumptions regarding inflation and investment performance. The College reviews its cost base on a regular basis in order to combat the reduction in revenues and to extend financial headroom. The College has made use of the Government Job Retention Scheme. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

#### **2. Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and operational property which are included at valuation.

#### **3. Basis of consolidation**

The activities of student societies have not been consolidated on the basis that the College does not have control over the operation of the societies.

#### **4. Recognition of income**

##### ***Donations and endowments***

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
3. Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

***Grant income***

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

***Investment income and change in value of investment assets***

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

***Total return***

The College calculated its income requirements (based on a percentage of the 4-year weighted average investment value) and that amount was transferred to investment income in the Statement of Comprehensive Income and Expenditure. The income is stated net of investment management and property fees. All returns from cash or property held in respect of operating assets are treated as income as received.

***Academic fees***

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

***Other income***

Income is received from a range of activities including accommodation, catering conferences and other services rendered.

***Cambridge Bursary Scheme***

In 2022-23, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £178k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£147k
Expenditure	£325k

**5. Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

**6. Fixed assets**

**a) Land and buildings**

During 2018/19 the accounting policy for College land and buildings used for operational purposes changed. Following a review carried out by professional valuers Gerald Eve these land and buildings are now held at an updated depreciated replacement value. The valuation is reviewed annually with a full valuation at least every five years. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives with a range for the different buildings averaging between 30 to 55 years, where building structure is depreciated up to 150 years and fit-out/M&E services up to 40 years. Freehold land is shown separately and is not depreciated. Assets under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

When land and buildings are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is described in accounting policy 4 above.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

**b) Maintenance of buildings**

The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

**c) Furniture and equipment**

Furniture and equipment is not capitalised if an individual item costs less than £5k. Such expenditure is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Computer equipment/photocopiers	33% p.a. (3 years)
Boats	7% p.a. (15 years)
Heating systems	5% p.a. (20 years)
Other furniture and equipment	10% p.a. (10 years)

When furniture and equipment is acquired with the aid of specific bequests or donations, the policy for accounting for that income is described in accounting policy 4 above.

**d) Leased assets**

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

#### **e) Heritage assets**

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1<sup>st</sup> July 2003 or with a cost below £5k have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1<sup>st</sup> July 2003 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

#### **7. Investments**

Non-current investment assets are included in the balance sheet at market value. Investments that are not listed on a recognised stock exchange (except estate properties) are carried at net asset value.

While College hostels and other properties treated as operational assets are re-valued as stated in 6a) above, other properties and agricultural land held for their investment value are treated and valued as investment assets. Such investment assets are valued annually, at least by desktop valuation, by a professional valuer (Bidwells and Cheffins) and revalued on the balance sheet accordingly. Every five years, a full valuation is carried out.

#### **8. Stocks**

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

#### **9. Provisions**

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

#### **10. Taxation**

The College is a registered charity (number 1137492) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

#### **11. Contribution under Statute G, II**

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

#### **12. Pension schemes**

The College participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income and Expenditure.

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

The College operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

#### **13. Financial instruments**

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **14. Financial assets**

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of ownership are transferred to another party.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)****15. Financial liabilities**

Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the College enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The College does not apply any hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

**16. Contingent liabilities and assets**

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

**17. Employment benefits**

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

## Pembroke College

### Statement of Principal Accounting Policies (continued)

#### 18. Reserves

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity. Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

#### 19. Critical accounting judgements

The preparation of the College's accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

**Income recognition** – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

**Useful lives of property, plant and equipment** – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

**Investment property** – Properties are revalued to their fair value at the reporting date by Cheffins. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. Only those residential properties deemed to be out- with the core housing stock of the College are included in investment property. This status is regularly reviewed.

**Recoverability of debtors** – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due

**Retirement benefit obligations** – The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 20.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 20.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

**Pembroke College**  
**Statement of Comprehensive Income and Expenditure**  
**Year ended 30th June 2023**

	Note	2023				2022			
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
<b>Income</b>									
Academic fees and charges	1	4,985	178	-	5,163	4,643	148	-	4,791
Accommodation, catering and conferences	2	6,743	-	-	6,743	4,305	2	-	4,307
Investment income	3a	489	197	2,035	2,721	142	39	1,574	1,755
Endowment return transferred	3a	1,611	2,048	(3,669)	(10)	1,592	1,929	(3,529)	(8)
Other income	3c	82	60	-	142	100	37	-	137
<b>Total income before donations and endowments</b>		<b>13,910</b>	<b>2,483</b>	<b>(1,634)</b>	<b>14,759</b>	<b>10,782</b>	<b>2,155</b>	<b>(1,955)</b>	<b>10,982</b>
Donations		2,062	781	-	2,843	780	794	-	1,574
New endowments		-	-	552	552	-	-	1,170	1,170
Other capital donations for Mill Lane project		-	12,861	-	12,861	-	7,664	-	7,664
<b>Total income</b>		<b>15,972</b>	<b>16,125</b>	<b>(1,082)</b>	<b>31,015</b>	<b>11,562</b>	<b>10,613</b>	<b>(785)</b>	<b>21,390</b>
<b>Expenditure</b>									
Education	4	6,477	2,765	-	9,242	6,233	2,172	-	8,405
Accommodation, catering and conferences	5	8,213	-	-	8,213	6,731	-	-	6,731
Other expenditure	7d	2,097	88	365	2,550	2,011	232	926	3,169
USS Provision	7d	(99)	-	-	(99)	1,346	-	-	1,346
Contribution under Statute G,II		19	6	-	25	26	8	-	34
<b>Total expenditure</b>		<b>16,707</b>	<b>2,859</b>	<b>365</b>	<b>19,931</b>	<b>16,346</b>	<b>2,412</b>	<b>926</b>	<b>19,684</b>
<b>(Deficit)/surplus before other gains and losses</b>		<b>(735)</b>	<b>13,266</b>	<b>(1,447)</b>	<b>11,085</b>	<b>(4,784)</b>	<b>8,201</b>	<b>(1,711)</b>	<b>1,706</b>
Gain/(loss) on investments	3a	35	32	2,395	2,462	(809)	118	4,527	3,836
Gain/(loss) on disposal of fixed assets		1,416	-	-	1,416				
<b>(Deficit)/surplus for the year</b>		<b>716</b>	<b>13,298</b>	<b>948</b>	<b>14,963</b>	<b>(5,593)</b>	<b>8,319</b>	<b>2,816</b>	<b>5,542</b>
<b>Other comprehensive income</b>									
Actuarial profit/(loss) in respect of pension schemes	15	(92)	-	-	(92)	1,144	-	-	1,144
<b>Total comprehensive income for the year</b>		<b>624</b>	<b>13,298</b>	<b>948</b>	<b>14,871</b>	<b>(4,449)</b>	<b>8,319</b>	<b>2,816</b>	<b>6,686</b>

The notes on pages 30 to 42 form part of these accounts.

**Pembroke College**  
**Statement of Changes in Reserves**  
**Year ended 30th June 2023**

	Income and expenditure reserve				Total £000
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	
<b>Balance at 1 July 2022</b>	<b>90,731</b>	<b>76,084</b>	<b>30,387</b>	<b>90,396</b>	<b>287,598</b>
(Deficit)/surplus from income and expenditure statement	716	-	13,299	948	14,963
Other comprehensive income	(92)	-	-	-	(92)
Release of restricted capital funds spent in the year	15,801	-	(15,801)	-	-
Transfer between reserves	90	-	(2,549)	2,459	-
<b>Balance at 30 June 2023</b>	<b>107,246</b>	<b>76,084</b>	<b>25,335</b>	<b>93,804</b>	<b>302,469</b>
			(note 17)	(note 16)	

	Income and expenditure reserve				Total £000
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	
<b>Balance at 1 July 2021</b>	<b>76,110</b>	<b>76,084</b>	<b>41,139</b>	<b>87,580</b>	<b>280,913</b>
(Deficit)/surplus from income and expenditure statement	(5,593)	-	8,319	2,816	5,542
Other comprehensive income	1,144	-	-	-	1,144
Release of restricted capital funds spent in the year	19,071	-	(19,071)	-	-
Transfer from endowment to unrestricted funds	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>90,731</b>	<b>76,084</b>	<b>30,387</b>	<b>90,396</b>	<b>287,599</b>
			(note 17)	(note 16)	

**Pembroke College**  
**Balance Sheet**  
**Year ended 30th June 2023**


	Note	2023 £000	2022 £000
<b>Non-current assets</b>			
Fixed assets	8a	192,688	179,810
Heritage assets	8b	673	644
Investments	9	114,444	113,439
<b>Total non-current assets</b>		<b>307,805</b>	<b>293,893</b>
<b>Current assets</b>			
Stock	10	678	688
Trade and other receivables	11	9,890	2,608
Cash and cash equivalents	12	0	0
Short-term investments	13	11,783	19,387
<b>Total current assets</b>		<b>22,351</b>	<b>22,683</b>
<b>Creditors: amounts falling due within one year</b>	14a	<b>(8,831)</b>	<b>(10,008)</b>
<b>Net current assets</b>		<b>13,520</b>	<b>12,675</b>
<b>Total assets less current liabilities</b>		<b>321,325</b>	<b>306,568</b>
Creditors: amounts falling due after more than one year	14b	(14,275)	(14,440)
		307,050	292,128
<b>Provisions</b>			
Pension provisions	15	(4,582)	(4,530)
<b>Total net assets</b>		<b>302,468</b>	<b>287,598</b>
<b>Restricted reserves</b>			
Income and expenditure reserve - endowment reserve	16	93,803	90,396
Income and expenditure reserve - restricted reserve	17	25,335	30,387
		119,138	120,783
<b>Unrestricted reserves</b>			
Income and expenditure reserve - unrestricted reserve		107,246	90,731
Revaluation reserve		76,084	76,084
		183,330	166,815
<b>Total reserves</b>		<b>302,468</b>	<b>287,598</b>

The financial statements were approved by the Governing Body on 7th November 2023 and signed on its behalf by:

Approved by:



Rt Hon Lord Smith of Finsbury (Master)



Dr. A Cates (Treasurer and Bursar)

The notes on pages 30 to 42 form part of these accounts.

**Pembroke College**  
**Cash Flow Statement**  
**Year ended 30th June 2023**

	Note	2023 £000	2022 £000
Cash flows from operating activities	21	15,362	16,555
Cash flows from investing activities	22	(10,772)	(16,275)
Cash flows from financing activities	23	(608)	(602)
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>3,982</b>	<b>(322)</b>
Cash and cash equivalents at beginning of the year		(5,275)	(4,952)
<b>Cash and cash equivalents at end of the year</b>	24	<b>(1,293)</b>	<b>(5,275)</b>

The notes on pages 30 to 42 form part of these accounts.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2023**

<b>1. Academic fees and charges</b>		<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
<b>College fees</b>			
Fee income received at the Regulated Undergraduate rate		1,971	1,973
Fee income received at the Unregulated Undergraduate rate		463	451
Fee income received at the Postgraduate rate		860	895
Fee income received at the International Programme rate		1,633	1,206
		<u>4,927</u>	<u>4,525</u>
Other income		89	101
Cambridge Bursary Scheme		147	165
<b>Total</b>		<b><u>5,163</u></b>	<b><u>4,791</u></b>
<b>2. Income from accommodation, catering and conferences income</b>		<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
International Programmes		2,102	535
Accommodation	College members	3,605	2,957
	Conferences	270	78
Catering	College members	563	625
	Conferences	203	112
<b>Total</b>		<b><u>6,743</u></b>	<b><u>4,307</u></b>
<b>3a. Endowment and investment income</b>		<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
Income from investments and donations:			
Income drawdown from endowment		3,659	3,520
Freehold land and buildings		9	1
Other interest receivable		379	67
Private placement investment income		102	76
Mill Lane investment income		197	39
		<u>4,346</u>	<u>3,703</u>
<b>Summary of total return:</b>			
Income from:			
Land and buildings		609	454
Quoted and other securities and cash		1,426	1,119
Gains on endowment assets:			
Land and buildings		783	3,114
Quoted and other securities and cash		532	1,532
Investment management costs in respect of:			
Land and buildings		(241)	(490)
Quoted and other securities and cash		(125)	(436)
<b>Total return for the year</b>		<b><u>2,984</u></b>	<b><u>5,293</u></b>
Total return transferred to income and expenditure reserve (see above)		(3,669)	(3,529)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (note 18)		<u>(685)</u>	<u>1,764</u>
Gains on other assets:			
Quoted and other securities and cash		<u>1,146</u>	<u>(809)</u>
<b>3b. Investment management costs</b>		<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
Quoted securities - equities		4	294
Other investments		121	142
		<u>125</u>	<u>436</u>
<b>3c. Other income</b>		<b>2023</b>	<b>2022</b>
		<b>£000</b>	<b>£000</b>
Lease of operational buildings		-	-
Income from sports facilities and equipment		20	13
HMRC Job Retention Scheme grant		-	43
Other income		122	81
		<u>142</u>	<u>137</u>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2023**

4. Education expenditure	2023 £000	2022 £000
Teaching	2,238	1,659
Tutorial	1,518	1,639
Admissions and Access	956	973
Scholarships and awards	600	497
Other educational facilities	1,939	1,781
Academic community	831	784
	<u>8,082</u>	<u>7,333</u>
Research	1,160	1,072
Total	<u>9,242</u>	<u>8,405</u>

Total expenditure on student support during the year included above was £1.2m (2022 £1.1m).

5. Accommodation, catering and conferences expenditure	2023 £000	2022 £000
International Programmes	1,791	1,029
Accommodation	4,245	4,161
College Members	87	6
Conferences	1,870	1,535
Catering	220	-
College Members		
Conferences		
Total	<u>8,213</u>	<u>6,731</u>

**6. Staff costs**

	Academic 2022-23 £000	Non-academic 2022-23 £000	Total 2022-23 £000	Total 2021-22 £000
<b>Staff costs</b>				
Salaries	1,570	5,427	6,997	6,689
National insurance	134	496	630	545
Other pension costs (see note 20 (d))	365	873	1,238	1,051
	<u>2,069</u>	<u>6,796</u>	<u>8,865</u>	<u>8,285</u>

Average staff no.s (full time equivalent)	2022-23	2022-23	2021-22	2021-22
	Number of Fellows	Full-time equivalents	Number of Fellows	Full-time equivalents
Academic	68	2	67	2
Non-academic	5	146	5	140
	<u>73</u>	<u>148</u>	<u>72</u>	<u>142</u>

The number of officers and employees of the College, including the Head of House, who received remuneration in the following ranges was:

	2023	2022
£100,000 - £109,999	0	0
£110,000 - £119,999	1	1
£120,000 - £129,999	1	1
£130,000 - £139,999	1	2
£140,000 - £149,999	2	0

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

Of the 73 (2021-22- 72) College Fellows and Trustees declared above who are members of the Governing Body, 68 (2021-22 - 72) receive remuneration. The Trustees receive no emoluments in their role as trustees of the charity.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated remuneration paid to key management personnel.

During the year, remuneration paid to Trustees in their capacity as Key Management Personnel were:

	2023 £000	2022 £000
Aggregate remuneration	<u>2,388</u>	<u>1,788</u>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2023**

**7a. Analysis of expenditure by activity 2022-23**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2023 £000
Education (Note 4)	4,757	3,902	583	9,242
Accommodation, catering, and conferences (Note 5)	3,180	3,501	1,532	8,213
Other expenditure (Note 7d)	928	1,476	146	2,550
USS pension Provision	-	(99)	-	(99)
Contribution under Statute G,II	-	25	-	25
	<b>8,865</b>	<b>8,805</b>	<b>2,261</b>	<b>19,931</b>

Loan interest payable for the year to 30th June 2023 was £472k.  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £504k.

**7b. Analysis of expenditure by activity 2021-22**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2022 £000
Education (Note 4)	4,428	3,401	576	8,405
Accommodation, catering, and conferences (Note 5)	2,862	2,353	1,516	6,731
Other expenditure (Note 7d)	995	2,030	144	3,169
USS pension provision	-	1,346	-	1,346
Contribution under Statute G,II	-	34	-	34
	<b>8,285</b>	<b>9,164</b>	<b>2,236</b>	<b>19,684</b>

Loan interest payable for the year to 30th June 2022 was £482k.  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £413k.

**7c. Auditors' remuneration**

	2023 £000	2022 £000
Audit fees payable to the College's external auditors	33	27
Other fees payable to the College's external auditors	8	1

**7d. Other expenditure**

	2023 £000	2022 £000
Interest charges	472	475
Investment management fees	365	926
Loan interests	397	390
Other expenditure	1,316	1,378
	<b>2,550</b>	<b>3,169</b>

**8a. Fixed assets**

	College site Buildings £000	Assets in Course of Construction £000	College site Foundress Court £000	Houses for College Members £000	Sportsground & Boathouse £000	Land £000	Furniture & Equipment £000	Total 2023 £000	Total 2022 £000
<b>Cost/valuation</b>									
At 1 July 2022	66,062	28,953	15,010	19,622	820	55,990	3,771	190,228	170,774
Additions	90	15,831	-	244	-	-	155	16,320	19,454
Disposals	-	-	-	(1,280)	-	-	-	(1,280)	-
Transfer to investments	16,415	(16,425)	-	10	-	-	-	-	-
Cost/valuation as at 30 June 2023	<b>82,567</b>	<b>28,359</b>	<b>15,010</b>	<b>18,596</b>	<b>820</b>	<b>55,990</b>	<b>3,926</b>	<b>205,268</b>	<b>190,228</b>
<b>Depreciation</b>									
At 1 July 2022	5,114	-	1,224	1,525	106	-	2,449	10,418	8,182
Provided for the year	1,346	-	310	392	26	-	184	2,258	2,236
Disposals	-	-	-	(96)	-	-	-	(96)	-
Depreciation at 30 June 2023	<b>6,460</b>	<b>-</b>	<b>1,534</b>	<b>1,821</b>	<b>132</b>	<b>-</b>	<b>2,633</b>	<b>12,580</b>	<b>10,418</b>
<b>Net book value</b>									
At 30 June 2023	<b>76,107</b>	<b>28,359</b>	<b>13,476</b>	<b>16,775</b>	<b>688</b>	<b>55,990</b>	<b>1,293</b>	<b>192,688</b>	<b>179,810</b>
At 30 June 2022	60,948	28,953	13,786	18,096	714	55,990	1,322	179,810	162,592

The insured value of freehold land and buildings as at 30 June 2023 was £207m (2021 £191m). All of the above assets are used for Collegiate purposes.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2023**

**8b. Heritage assets**

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2003 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for those on a cost-benefit basis, they have not been capitalised. As a result, the total cost included in the balance sheet is partial.

Amounts for the current and previous four years were as follows:

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
<b>Total value 1st July</b>	644	574	481	206	136
Acquisitions purchased with specific donations	-	-	-	275	-
Acquisitions purchased with College funds	-	70	13	-	-
Total cost of acquisitions purchased	-	70	13	275	-
Value of acquisitions by donation	29	-	80	-	70
<b>Total acquisitions capitalised in year</b>	<b>29</b>	<b>70</b>	<b>93</b>	<b>275</b>	<b>70</b>
<b>Total value 30th June</b>	<b>673</b>	<b>644</b>	<b>574</b>	<b>481</b>	<b>206</b>

**9. Investments**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Balance at 1 July	113,439	110,818
Additions	4,988	2,290
Disposals	(6,808)	(785)
Transfer from fixed assets		
Gain	2,428	3,088
(Decrease)/Increase in cash held by investment managers	408	(1,958)
Less: change in amount owed to Pembroke House	(11)	(14)
Balance at 30 June	<b>114,444</b>	<b>113,439</b>
General investments	100,665	100,559
Private placement investments	13,779	12,880
Balance at 30 June	<b>114,444</b>	<b>113,439</b>

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Long-term investments:		
Commercial shops	2,660	2,637
Agricultural land	10,062	9,631
Residential property	22,146	21,200
Total investment properties	<b>34,868</b>	<b>33,468</b>
Equities	62,944	61,631
Other investments	11,736	13,908
Cash in hand and at investment managers	4,416	3,936
Loans to Fellows	758	763
Less: amount owed to Pembroke House	(278)	(267)
	<b>114,443</b>	<b>113,439</b>

**10. Stock**

	<b>2023</b> <b>£000</b>	<b>2022</b> <b>£000</b>
Kitchen	28	26
Cellar wine	626	656
Bar	24	2
Porters' Lodge	-	4
	<b>678</b>	<b>688</b>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2023**

<b>11. Trade and other receivables</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	169	72
Members of the College	283	224
Debtors and prepayments - Other	7,278	1,664
Debtors due over 1 year	2,160	648
	<b>9,890</b>	<b>2,608</b>

<b>12. Cash and cash equivalents</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Current accounts	-	-
Bank deposits	-	-
Cash	0	0
Less: amount owed to Pembroke House	-	(0)
	<b>0</b>	<b>0</b>

<b>13. Short-term investments</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Mill Lane deposits	11,783	19,387
	<b>11,783</b>	<b>19,387</b>

<b>14a. Creditors: amounts falling due within one year</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts (see note below)	1,293	5,275
Bank loan	107	135
Trade creditors	1,481	527
Members of the College	858	888
Accruals and deferred income	4,389	2,817
University fees	10	4
Contribution to College Fund	25	25
Taxes and social security	62	37
Holiday & Bonus accrual	288	241
Other creditors	318	59
	<b>8,831</b>	<b>10,008</b>

<b>14b. Creditors: amounts falling due after more than one year</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Bank loan	1,061	1,168
Members of the College	314	372
Other loans	12,900	12,900
	<b>14,275</b>	<b>14,440</b>

The original unsecured bank loan was for £2.3 million repayable over 20 years, at a floating rate of interest for the two years until 30 January 2012 and a fixed rate of 6.21% p.a. thereafter.

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £2.9 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £10 million. The loans are unsecured and repayable during 2058, and are at a fixed interest rate of 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2023**

**15. Pension provisions**

	CCFPS £000	USS £000	2023 £000	2022 £000
<b>(Deficit) in schemes in beginning of the year</b>	(2,131)	(2,399)	(4,530)	(4,333)
Movement in year:				
Recognised in income and expenditure	(205)	19	(186)	(1,618)
Contributions paid by the College	226	-	226	277
Actuarial (loss)/profit recognised in the Statement of Comprehensive Income and Expenditure	(92)	-	(92)	1,144
<b>(Deficit) in schemes at end of the year</b>	<b>(2,202)</b>	<b>(2,380)</b>	<b>(4,582)</b>	<b>(4,530)</b>
	note 20b	note 20a		

**16. Endowment funds**

	Restricted Permanent £000	Unrestricted Permanent £000	2023 £000	2022 £000
<b>Balance at beginning of year:</b>				
Capital	46,130	44,266	90,396	87,580
	<b>46,130</b>	<b>44,266</b>	<b>90,396</b>	<b>87,580</b>
New donations and endowments	540	12	552	1,170
Transfers	2,459	-	2,459	
Increase in market value of investments	207	189	396	1,645
<b>Balance at end of year</b>	<b>49,336</b>	<b>44,467</b>	<b>93,803</b>	<b>90,396</b>
<b>Representing:</b>				
Fellowship Funds	13,948	-	13,948	12,609
Scholarship Funds	6,667	-	6,667	7,313
Prize Funds	1,041	-	1,041	1,033
Bursary/Hardship Funds	-	-	-	6,771
Travel Grant Funds	5,986	1,330	7,316	1,775
Graduate Funds	1,791	-	1,791	8,117
Other Funds	11,065	-	11,065	9,837
General endowments	8,838	43,137	51,975	42,941
<b>Total</b>	<b>49,336</b>	<b>44,467</b>	<b>93,803</b>	<b>90,396</b>
<b>Analysis by asset:</b>				
Property	15,031	13,119	28,150	26,670
Investments	32,401	29,805	62,206	3,136
Cash	1,904	1,543	3,447	60,590
	<b>49,336</b>	<b>44,467</b>	<b>93,803</b>	<b>90,396</b>

**Pembroke College**  
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**17. Restricted reserves**

	Capital grants unspent £000	Unspent Permanent £000	Restricted Expendable £000	2023 Total £000	2022 Total £000
<b>Balance at beginning of year:</b>					
Capital	-	-	6,518	6,518	6,055
Accumulated income	20,039	3,245	585	23,868	35,084
	<u>20,039</u>	<u>3,245</u>	<u>7,103</u>	<u>30,387</u>	<u>41,139</u>
Transfers between funds in year	-	(60)	(2,489)	(2,549)	-
Increase in market value of investments	-	13	19	32	118
Capital grants	12,861	-	-	12,861	7,664
Donations	-	106	913	1,019	794
Endowment return transferred	-	1,888	159	2,047	1,929
Other investment income	197	-	-	197	226
Expenditure	(93)	(1,961)	(804)	(2,858)	(2,412)
Capital grants utilised	(15,801)	-	-	(15,801)	(19,071)
	<u>(2,836)</u>	<u>(14)</u>	<u>(2,202)</u>	<u>(5,052)</u>	<u>(10,752)</u>
<b>Balance at end of year</b>	<b><u>17,203</u></b>	<b><u>3,231</u></b>	<b><u>4,901</u></b>	<b><u>25,335</u></b>	<b><u>30,387</u></b>
<b>Balance at end of year:</b>					
Capital	-	-	4,379	4,379	6,518
Accumulated income	17,203	3,231	522	20,956	23,868
	<u>17,203</u>	<u>3,231</u>	<u>4,901</u>	<u>25,335</u>	<u>30,387</u>
<b>Representing:</b>					
Fellowship Funds	-	621	1,562	2,183	3,221
Scholarship Funds	-	815	317	1,132	1,099
Prize Funds	-	135	-	135	948
Bursary/Hardship Funds	-	639	517	1,156	579
Travel Grant Funds	-	229	15	244	231
Graduate Funds	-	524	841	1,365	1,264
Other Funds	17,203	268	1,649	19,120	23,045
<b>Total</b>	<b><u>17,203</u></b>	<b><u>3,232</u></b>	<b><u>4,901</u></b>	<b><u>25,335</u></b>	<b><u>30,387</u></b>

**18. Memorandum of unapplied total return**

	2023 £000	2022 £000
Included within reserves the following amounts represent the unapplied total return of the College:		
Unapplied total return at the beginning of the year	50,153	48,389
Unapplied total return for the year (see note 3a)	(685)	1,764
<b>Unapplied total return at end of year</b>	<b><u>49,468</u></b>	<b><u>50,153</u></b>

**19. Capital commitments**

	2023 £000	2022 £000
Capital commitments contracted for at 30th June	<u>20,366</u>	<u>177</u>
<b>Other commitments</b>		

The College has committed to invest in various private equity/venture capital funds over the next few years. Commitments, excluding distributions which may be made total \$290k (c £210k).

## 20. Pension schemes

### (a) Universities Superannuation Scheme

#### DEFICIT RECOVERY LIABILITY

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the **2020 valuation** are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](https://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:  1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%.

The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate*	5.52%	3.31%
Pensionable salary growth Year 1	5.00%	4.50%
Pensionable salary growth Year 2	5.00%	5.00%
Pensionable salary growth Year 3 to 4	4.00%	3.00%
Pensionable salary growth Year 5 to 17	3.00%	3.00%

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**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme**

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme. The liabilities of the plan have been calculated, at 30 June 2023, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	<b>30 June 2022</b>	<b>30 June 2022</b>
Discount rate	5.20%	3.80%
Increase in salaries	3.30%	3.25%
RPI assumption	3.40%	3.45%
CPI assumption	2.80%	2.75%
Pension increases in payment (RPI Max 5% p.a.)	3.30%	3.30%
Pension Increases in payment (CPI Max 2.5% p.a.)	2.05%	2.05%

For 1 year only, we have assumed that RPI will be 9% and CPI will be 7% (2022: 11% and 9% respectively). The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI\_2022 future improvement factors and a long-term rate of future improvement of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements (2022: S3PA with CMI\_2021 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

Male age 65 now has a life expectancy of 21.4 years (previously 21.9 years).  
 Female age 65 now has a life expectancy of 23.9 years (previously 24.3 years).  
 Male age 45 now and retiring in 20 years has a life expectancy of 22.6 years (previously 23.2 years).  
 Female age 45 now and retiring in 20 years has a life expectancy of 25.3 years (previously 25.7 years).

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	<b>Male</b>	<b>Female</b>
Active members - Option 1 benefits	64	64
Deferred members - Option 1 benefits	63	62

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in their calculations.

**Employee Benefit Obligations**

The amounts recognised in the balance sheet as at 30 June 2023 (with comparative figures as at 30 June 2022) are as follows.

	<b>2023 £000</b>	<b>2022 £000</b>
Present value of scheme liabilities	(9,525)	(10,847)
Total market value of assets	7,323	8,716
<b>Net pension liability</b>	<b>(2,202)</b>	<b>(2,131)</b>

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ended 30 June 2023 (with comparative figures for the year ended 30 June 2022) are as follows:

	<b>2023 £000</b>	<b>2022 £000</b>
Current service cost	108	189
Administration expenses	16	16
Interest on net defined benefit liability	82	59
Loss on plan changes	-	-
<b>Total</b>	<b>206</b>	<b>264</b>

Changes in the present value of the Scheme liabilities for the year ending 30 June 2023 (with comparative figures for the year ended 30 June 2022) are as follows:

	<b>2023 £000</b>	<b>2022 £000</b>
Present value of plan liabilities at beginning of period	10,847	13,737
Current service cost	108	189
Employee contributions	4	6
Benefits paid	(468)	(513)
Interest on plan liabilities	405	244
Actuarial (profits)/losses	(1,371)	(2,816)
Loss on plan changes	-	-
<b>Present value of plan liabilities at end of period</b>	<b>9,525</b>	<b>10,847</b>

**Pembroke College**  
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**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme (continued)**

Changes in the fair value of the plan assets for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Market value of plan assets at beginning of period	8,717	10,449
Contributions paid by the College	226	277
Employee contributions	4	6
Benefits paid	(468)	(513)
Administration expenses	(23)	(22)
Interest on plan assets	324	185
Return on assets, less interest included in Comprehensive Income and Expenditure	(1,457)	(1,665)
<b>Market value of plan assets at end of period</b>	<b>7,323</b>	<b>8,717</b>
<b>Actual return on plan assets</b>	<b>(1,133)</b>	<b>(1,481)</b>

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2023 (with comparative figures for the year ended 30 June 2022) are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Equities	49%	52%
Bonds and cash	38%	34%
Property	13%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The plan has no investments in property occupied by, assets used by or financial instruments issued by the College.

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Return on assets, less interest included in Comprehensive Income and Expenditure	(1,457)	(1,665)
Expected less actual plan expenses	(7)	(6)
Experience gains and losses arising on plan liabilities	(804)	(945)
Changes in assumptions underlying the present value of plan liabilities	2,176	3,760
<b>Actuarial gain/(loss) recognised in OCI (page 25)</b>	<b>(92)</b>	<b>1,144</b>

Movement in (deficit) during the 12 months ending 30 June 2023 (with comparative figures for the year ended 30 June 2022) are as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
(Deficit) in plan at beginning of year	(2,131)	(3,288)
Recognised in Statement of Comprehensive Income and Expenditure	(206)	(264)
Contributions paid by the College	226	277
Actuarial gain/(loss) recognised in OCI	(92)	1,144
<b>(Deficit) in plan at the end of the year</b>	<b>(2,202)</b>	<b>(2,131)</b>

**Funding Policy**

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102. The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £120,220 p.a. payable for the period from 1 July 2021 to 31 January 2028

These payments are subject to review following the next funding valuation, due as at 31 March 2023.

**Pembroke College**  
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**Year ended 30th June 2023**

**20. Pension schemes**

**(c) NOW:Pensions scheme**

The College operates a defined contribution scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £229k (2020 £195k) of which £32k (2020 £22k) was outstanding at the year end. Contributions are collected by Now Pensions by Direct debit a month in arrears

**(d) Summary of pension costs**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Universities Superannuation Scheme	822	636
Universities Superannuation Scheme - pension provision	(19)	1,354
Cambridge Colleges Federated Pension Scheme	198	209
NOW:Pension Scheme	229	195
Death in service	8	10
<b>Total pension costs (note 6)</b>	<b>1,238</b>	<b>2,404</b>

**21. Reconciliation of surplus for the year to cash flows from operating activities**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Surplus for the year	14,963	5,542
<b>Adjustment for non-cash items:</b>		
Depreciation (note 8)	2,261	2,236
(Gain) on endowments, donations and investment property	(2,462)	(3,836)
Donations in kind	(29)	
(Increase) in stocks	10	32
(Increase) in trade and other receivables	(7,282)	5,138
(Increase)/decrease in short-term investments	7,603	5,685
Increase/(decrease) in creditors	2,774	1,942
Pension costs less contributions payable	(40)	1,341
<b>Adjustment for investing or financing activities</b>		
Investment income	(2,721)	(1,755)
Investment management costs	365	926
Interest payable	472	475
Endowment funds invested	(552)	(1,170)
Gift of heritage asset		
<b>Total cash flows from operating activities</b>	<b>15,362</b>	<b>16,555</b>

**22. Cash flows from investing activities**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Non-current investment disposal	3,669	3,529
Investment income	686	181
Endowment funds invested	552	1,170
Payments made to acquire non-current assets	(16,820)	(21,155)
Disposal of non-current assets	1,142	
<b>Total cash flows from investing activities</b>	<b>(10,772)</b>	<b>(16,275)</b>

**23. Cash flows from financing activities**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Interest paid	(472)	(475)
Repayments of amounts borrowed	(136)	(127)
<b>Total cash flows from financing activities</b>	<b>(608)</b>	<b>(602)</b>

**Pembroke College**  
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**24. Analysis of cash and cash equivalents**

	At beginning of year £000	Cashflows £000	At end of year £000
Bank overdrafts	(5,275)	3,982	(1,293)
Cash at bank and in hand	0	0	0
<b>Net Funds (page 28)</b>	<b>(5,275)</b>	<b>3,982</b>	<b>(1,293)</b>

**25. Lease obligations**

At 30 June 2022 the College had commitments under non-cancellable operating leases as follows:

	2022 £000	2022 £000
Land and buildings:		
Expiring within one year		301
Expiring between two and five years		301
Expiring in over five years		-

**26. Reconciliation and analysis of net debt**

	At 1 July 2022 £000	Cashflows £000	New finance leases £000	Other non-cash changes £000	At 30 June 2023 £000
<b>Cash and cash equivalents</b>	0	0	-	-	0
<b>Borrowings:</b>					
<b>Amounts falling due within one year:</b>					
Bank overdraft	(5,275)	3,982			(1,293)
Unsecured loans	(135)	29	-	-	(106)
	<b>(5,410)</b>	<b>4,011</b>	<b>-</b>	<b>-</b>	<b>(1,399)</b>
<b>Borrowings:</b>					
<b>Amounts falling due after more than one year:</b>					
Unsecured loans	(14,068)	107	-	-	(13,961)
	<b>(14,068)</b>	<b>107</b>	<b>-</b>	<b>-</b>	<b>(13,961)</b>
<b>Total net debt</b>	<b>(19,478)</b>	<b>4,118</b>	<b>-</b>	<b>-</b>	<b>(15,360)</b>

**27. Financial instruments**

	2023 £000	2022 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments (note 9)	62,666	61,364
Other investments (note 9)	11,736	13,908
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Other investments (note 9)	758	763
Cash and cash equivalents (note 9, 12, 13)	16,199	23,322
Other debtors (note 11)	545	267
<b>Financial liabilities</b>		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft (note 14a)	1,293	5,275
Loans (notes 14a, 14b)	14,068	14,203
Trade creditors (note 14a)	1,481	527
Other creditors (notes 14a, 14b)	1,586	1,394

**Pembroke College**  
**Notes to the accounts**  
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**28. Related party transactions**

Owing to the nature of the College's operations and the composition of the College Council (or equivalent), it is inevitable that transactions will take place with organisations in which a College Council member may have an interest. All transactions involving organisations in which a member of the College Council may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

During the current and preceding year no fees or expenses were paid to Fellows in respect of their duties as Trustees.

Fellows are remunerated for teaching, research and other duties within the College as permitted by the Statutes. Fellows are billed for any private catering. The Trustees remuneration is overseen by the Stipends Committee

In addition, the College has provided loans to its Fellows for personal use, and also as part of equity share arrangements. The following amounts are included in Investments in note 9:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Loans to Fellows</b>	758	763

The salaries paid to Trustees in the year are summarised in the table below:

<b>From</b>	<b>To</b>	<b>2023 Number</b>	<b>2022 Number</b>
£0	£10,000	34	44
£10,001	£20,000	9	9
£20,001	£30,000	6	4
£30,001	£40,000	3	2
£40,001	£50,000	0	0
£50,001	£60,000	1	2
£60,001	£70,000	4	5
£70,001	£80,000	2	2
£80,001	£90,000	1	1
£90,001	£100,000	1	1
£100,001	£110,000	3	1
£110,001	£120,000	0	0
£120,001	£130,000	0	1
	<b>Total</b>	<b>64</b>	<b>72</b>

The total Trustee salaries were £1,550k for the year (2022 £1,450k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £770k for the year (2022 £725k).

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# Accounts

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# **Pembroke College, Cambridge**

## **Recommended Cambridge College Accounts (RCCA)**

**For the year ended 30th June 2022**

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## **Pembroke College**

### **Contact Information**

#### **Address**

Pembroke College  
Trumpington Street  
Cambridge CB2 1RF

#### **Key officers**

Master - Rt. Hon. Lord Smith of Finsbury  
Treasurer and Bursar – Dr. A. Cates  
Senior Tutor – Dr. A. W. Tucker (to 31<sup>st</sup> August 2021); Dr R Mayhew (from 1<sup>st</sup> September 2021)

#### **Registered charity number**

1137492

#### **VAT number**

214 2442 08

#### **Professional advisors:**

##### **Actuaries**

Cartwright Group Limited  
Suite 7, 2<sup>nd</sup> Floor  
The Hub  
IQ Farnborough  
Farnborough  
Hants, GU14 7JP

##### **Auditors**

Peters Elworthy and Moore  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

##### **Bankers**

Barclays Bank Plc  
9-11 St Andrew's Street  
Cambridge  
CB2 3AA

##### **Principal solicitors**

HCR Hewitsons  
Shakespeare House  
42 Market Road  
Cambridge CB5 8EP

##### **Principal property managers**

Bidwells  
Trumpington Road  
Cambridge CB2 2LD

Cheffins Limited  
Clifton House  
1-2 Clifton Road  
Cambridge  
CB1 7EA

**Pembroke College**  
**Trustees of the charity**

Rt Hon Lord Smith of Finsbury  
Professor NA Fleck  
Professor MC Payne  
Professor TRS Allan  
Professor JP Parry  
Dr MR Wormald  
Professor D Robertson  
Professor LR Gelsthorpe  
Dr T Meissner  
Professor RJM Franklin (end 31 December 2021)  
Professor CJ Young  
Professor SS Cardoso  
Mr NJ McBride  
Professor N Cooper  
Professor KGC Smith  
Professor L Kassell (end 30 September 2021)  
Professor V Deshpande  
Dr DN Tambakis  
Professor N Datta  
Professor AC Ferrari  
Professor RP Blakesley  
Professor AW Tucker  
Dr S Learmount  
Professor S Barrett  
Dr A Shadrin  
Revd Dr J Gardom  
Dr K Ettenhuber  
Mr M Mellor  
Professor Sir S O'Rahilly  
Professor G Csanyi  
Professor M Clatworthy  
Professor CM Lizieri  
Dr A Houen  
Professor R Gagne  
Dr M Gorji  
Professor C Loch  
Dame Professor C Grey  
Dr M Abreu  
Dr S John  
Dr C Burt  
Professor R Johnson  
Dr A Cates

Dr P Cavill  
Professor J Durrell  
Dr MJ Sternberg  
Dr HGM Diemberger  
Dr S Cottaar  
Dr TT Weil  
Professor TG Micklem  
Dr IRM Hussin  
Professor P Warde  
Professor M Wyatt  
Dr A Madhavapeddy  
Dr G Hennequin  
Dr D Passolt  
Dr R Laemmle  
Dr N Burton (left 30 September 2021)  
Professor G Hayward  
Professor N Jones  
Dr M Arbabzadah  
Professor M Hulme  
Dr J Kromdijk  
Dr A Ashraf  
Dr A Prorok  
Dr J Maratsos  
Dr M Halliday (left 30 September 2021)  
Professor A Cardona  
Professor H Bronstein  
Dr A-M Pappa (left 15 August 2021)  
Dr A Asseraf  
Professor R Kilner  
Dr H Elsis Ashmawi (end 1 November 2022)  
Dr R Mayhew (start 1 September 2021)  
Dr C Kamal (start 1 October 2021)  
Dr S Mohamed (start 1 October 2021)  
Dr N Crisafi (start 1 October 2021)  
Dr S Ward (start 1 October 2021)  
Professor X Wei (start 1 October 2021)  
Professor R Morieux (start 1 October 2021)  
Dr M Colla (start 1 October 2021)

**Pembroke College  
Operating and Financial Review  
For the financial year ended 30 June 2022**

**Status**

Marie de St. Pol founded the College or Hall of Valence-Mary in the University of Cambridge, more commonly known as Pembroke College, in 1347. The College is an autonomous, self-governing community of scholars, and one of the thirty one Colleges within the University of Cambridge. The College is a registered charity and its registered charity number is 1137492.

**Aims and objectives**

The College is an institution of higher education. Its purposes are the promotion of education, religion, learning, research and scholarship, and the personal and intellectual development of its members. The College admits (as junior members) undergraduate and postgraduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its purposes, and it supports teaching and research in the University. In furtherance of its objectives, the College maintains and manages an investment portfolio, including properties. Besides financial and tutorial support, it provides accommodation, catering, and other services to its members and to others. Governance arrangements for the College are set out on page 11.

**Overview of the Year**

On page 25, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £6.7m (2020-21 surplus £20.7m). The SOCIE is a statement of all movements of the net assets of the College between one year and the next. Therefore, it reports all operating income and expenditure, investment gains and losses and other adjustments, net total return and pension adjustments. Investment gains were £3.8m (2020-21 £12.7m). Mill Lane restricted gifts were £7.7m (2020-21 £13.1m). In the year, the USS pension provision increased by £1.3m (2020-21 decrease of £0.2m) and the CCFPS actuarial deficit increased by £1.1m (2020-21 increase of £0.9m). The boxed section on page 25 is, in effect, the operating result as reported in the year. Therefore, the College reported a deficit of £4.8m for 2021-22 compared to £4.3m for 2020-21, an increased deficit principally because of the loss of all International Programmes activity in the summer 2021, offset by a gradual return to normality with students back in residence from October 2021.

The College management accounts for the year reported a deficit of £0.9m (2020-21 deficit of £2.3m). The difference between that and the RCCA deficit of £4.8m is as follows:

	£'m
management account deficit	(0.9)
Remove	
Depreciation	(2.2)
USS Deficit	(1.3)
Other	(0.4)
 Deficit included in SOCIE	 (4.8)

The College aims for a balanced budget in its management accounts. Unfortunately, due to the COVID pandemic, activities have had to be halted (International Programmes, Student residency) which has had a negative impact on the College’s accounts over the last couple of years. This impact was still felt in 21-22 and is likely to carry on until 23-24 as gradually borders open and travel restrictions are fully lifted. After a planned deficit of £700k in 2022-23 (partly to carry on with planned refurbishment of the estate), expectations are for a gradual return to breakeven from 2024-25 as activities resume. This may prove challenging at times due to the current geopolitical environment and the College reviews its finances accordingly on a regular basis. The College will then assess how to manage the impact of the 2020-2022 deficits over the longer term.

The Balance Sheet shows net assets of £287.6m (2020-21 £280.9m), including investments of £113.4m (2020-21 £110.8m), where £100.6m relates to endowment assets. Total assets include short-term investments of £19.4m (2020-21 £25.1m) which consist of gifts (net of expenditure) to fund the Mill Lane project. There is also a payment of £0.5m in process in July 2022 from the Dolby family.

## **Pembroke College**

### **Operating and Financial Review (continued)**

#### **Students**

The College admits as students those who have the greatest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

The 2021-2022 year has had its challenges with regard to admissions, as the country has started to come out of the COVID-19 pandemic whilst still experiencing the consequences of the various national lockdowns. Shortlisting for interview was more difficult, as this cohort of applicants were the first to have been awarded GCSEs (rather than to have sat exams), and so higher numbers of applicants had higher GCSEs. This, in addition to the College receiving more applicants than ever before, meant that the College conducted more interviews, and that competition for places was more intense.

The undergraduate selection process remained online, including interviews and both the Summer and Winter Pools. The number of students accepted by Pembroke in 2022 returned to the usual levels of admittance, as a result of more conservative cover ratios.

Undergraduate student applications are shown below, showing the level of diversity of students attending Pembroke.

#### **Applicants**

- Number of applicants 946 (2020-2021 891)
- Arts 456 or 48.2% (2020-2021 49.3%); Science 490 or 51.8% (2020-2021 50.7%)
- Male 47.8% (2020-2021 53%), female 52.2% (2020-2021 47%)
- Home 74.4% or 704 (2020-2021 70.4%); Overseas and EU 25.6% or 242 (2020-2021 29.6%)
- State school applicants – maintained sector 471 or 68.6% (2020-2021 421 or 67.5%); independent sector 216 or 31.4% (2020-2021 or 32.5%)

#### **Offers**

- Number of offers made for 2022 entry 160 (16.9% of applicants) (2020-2021 154 or 17%)
- State educated 78.9%, independent educated 21.1% (of home offers) (2020-21 68.8% and 31.3%)
- Male 49.4%, female 50.6% (2020-2021 58% and 42%)

The College charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to overseas undergraduates and any Home/EU undergraduates not entitled to Student Support. Accommodation and meal charges at reasonable rates.

#### **Widening Participation**

The College's work in the area of widening participation helps young people from backgrounds which are traditionally under-represented at Cambridge to have confidence in their ability and to consider applying to top universities, including Cambridge. It equips the students with information relevant to their stage in the student life cycle, and how to understand the additional elements of the application process at Cambridge. In particular we work to debunk myths about what we are looking for in successful applicants. The events that we deliver are targeted according to the stage participants are at; for example, sixth formers benefit from sessions targeted at the application process and super curricular exploration, whilst key stage 4 students receive support on A level selection and early preparation. In addition, we work with teachers to help them more fully understand what we are looking for in applicants, and how our application process works, enabling them to better advise the students they are working with. Our programme includes both events that work with school groups, and those with a focus on individual applicants.

The COVID-19 pandemic necessitated changes to the ways in which the Schools Liaison Team delivered its work, and the opening up of the country after lockdowns has continued the need for evolution. The 2021-2022 academic year saw a move to a hybrid offering; some events were back in person, others remained online, and some were a mixture of the two. As this was the first year of hybridity, it was very much a pilot; over the course of the year the Admissions Team delivered a 56% increase in activities than previously offered.

Our event programme is frequently reviewed and updated as appropriate; in the coming year it will include masterclasses, personal statement workshops, visit days, open days, remote interview sessions, residential events, virtual tasters, and

## Pembroke College Operating and Financial Review (continued)

participation in a new, collaborative project with The Gurdon Institute – amongst other activities. Within total admissions and access costs of £1m shown on page 30, £0.6m was spent on Access and Widening Participation activity in the year.

### Student Support

In order to assist undergraduates entitled to Student Support, the College provides, through the Cambridge Bursary Scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. That scheme was approved by the Office of Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. In total £1m has been provided to students through this and other College provision over the last three years as detailed in the table. The majority of bursary support is provided through the Cambridge Bursary Scheme. In addition, undergraduate studentships have been supported over the same period with £56k of funding.

The College also provides substantial financial support to its postgraduate students. This has amounted to £1.3m over the past three years and includes scholarships to fund fees and living costs, as well as ‘top-up’ funding to fill shortfalls in students’ funding packages.

The College supports all students through a grant scheme to assist with the purchase of books and equipment, attendance at conferences, childcare support, vacation study, counselling and travel grants. Additional counselling support continues to increase and has tripled over 3 years to £56k in 2021-22, in addition to the other support offered to students such as via the University/College counselling services. Prizes and scholarships of £0.6m have also been awarded over the same 3-year period. The pandemic, and travel restrictions have again impacted the ability for the College to award scholarships and grants in full.

In addition to its other programmes, the College operates a maintenance/hardship scheme for students in financial hardship which has provided £0.4m of assistance in the past 3 years.

The following table shows the awards made to students over the three years to June 2022:

Support (£'000)	2019-20	2020-21	2021-22	3 Year Total
Postgraduate studentships	495	467	334	1,296
Undergraduate studentships	16	19	23	58
Cambridge Bursaries & other support	308	319	343	970
Prizes and scholarships	33	96	57	186
Maintenance/rent rebates	131	133	128	392
Book grants	7	17	9	33
Research expenses	36	6	22	64
Counselling support	17	40	56	113
Vacation study	12	56	49	117
Other awards	42	27	46	115
<b>Total awards</b>	<b>1,097</b>	<b>1,180</b>	<b>1,067</b>	<b>3,344</b>

The College’s aims in the area of student funding are to support academic excellence irrespective of financial background, in a diverse and interdisciplinary community. We wish to attract the most able students and enable them to reach their academic potential. This area is managed by the Student Finance Committee reflecting the growing complexity and budget of student funding. In order to achieve the greatest possible accountability, the committee shall: 1) support strategic and budgetary planning; 2) allow for adaptability in light of changes to University and national/external funding policy landscape; and 3) respond to the needs of other sections of the College including, for example, the Admissions, Postgraduate, and Development Offices. What is covered by the student funding policy falls into three broad areas: 1) Means tested undergraduate student support, in partnership and in addition to the Cambridge Bursary scheme; 2) non-means tested postgraduate studentships awarded at entry in partnership with the

## Pembroke College Operating and Financial Review (continued)

University complemented by a Pembroke MPhil Scheme; 3) General support available to all students. General support for undergraduates includes vacation study grants and academic enrichment, hardship funds, counselling and medical fee support, general travel awards as well as subject specific expenses. Postgraduates have the opportunity to apply for research specific travel and conference support, as well as support-in-kind for Pembroke student led symposia/conferences in Cambridge, academic enrichment and hardship funds; counselling and medical fee support

### Academic performance

In 2021-22, Pembroke College continued its excellent performance for undergraduate examination results despite the difficult operating environment throughout the year.

### Employees

In order to fulfil its charitable purposes, the College employs as Fellows: College Lecturers, Supervisors, Director of Studies, Tutors, Clergy and senior administrative officers, all of whom, along with the Master, serve as charity trustees through being members of the College's Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's objectives and their employment directly contributes to the fulfilment of those aims (although paying Fellows who are trustees is allowed by the Charity Commission). The benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally; furthermore, annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge. The total number of Fellows in the year was 72(2020-21 75) excluding Life Fellows. The College also employs 157 other FTE (2020-21 154) members of staff to provide the professional, academic and service support necessary to run the College. The increase is mainly due to the fact that College's operations are gradually going back to pre-pandemic levels and the College has started to fill vacancies where necessary.

### Beneficiaries

The Master and Fellows of the College receive a number of benefits as beneficiaries. These include accommodation, loans, research grants, conference grants and book grants. These benefits are provided with the intention of furthering the College's aims and primarily that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to others in the sector.

### Funding of the College

Pembroke College is funded from a series of sources. Including endowment gifts, the principal elements of income are as follows:

<i>Income Source</i>	2020-21		2021-22	
	£'000	%	£'000	%
Student fees	3,231	28%	3,319	22%
Student rents	1,984	17%	2,753	18%
Student catering and bar	355	3%	382	2%
Bequests & Donations	1,647	14%	2,574	17%
Endowment	3,422	30%	3,534	24%
International Programmes	(1)	0%	1,741	11%
Conference	12	0%	191	1%
Other	960	8%	831	5%
Total	11,610	100%	15,325	100%

### Financial performance

The College manages its finances through a set of management accounts. During the year, the College managed its budget with a deficit of £1.0m, in line with forecast. Despite the challenges posed by the pandemic and the gradual return to some normality, overall income was £0.8m higher than expected, mainly thanks to the Development department income. IP saw the return of in-person activities with the Semester programmes and despite travel restriction, income almost as planned. Catering saw more challenges with gradual reopening of the facilities, combined with struggles to find staff.

## Pembroke College Operating and Financial Review (continued)

During the year, the College's net assets increased to £287.6m (see pages 26 and 27). Donations and legacies to the endowment amounted to £1.1m. Investment assets, including private placement funds invested, increased from £110.8m to £113.4m.

College income was £21.4m in 2021-22 (2020-21: £23.2m). Academic Fees and Charges and Income from Catering & Accommodation rose significantly (+£1.3m and +£1.8m respectively), reflecting the return to more normal operations for the College (with semester Programmes restarting and students back in College accommodation). Donations & Legacies are still very strong. The variance is mainly due to the Dolby match-giving in 2020-21 of £6.5m. The Statement of Comprehensive Income and

Expenditure (see page 25), in the boxed section, reports a net deficit of £4.8m (2020-21 deficit £4.3m). Depreciation accounted for £2.2m in both years and the USS pension provision increased by £1.3m (due to the change of assumptions regarding the past service deficit and the timing of that change).

### Other financial issues of note from the RCCA are:

- Fees in note 1 include College fees from IP Semester students £1.2m (2020-21 £Nil).
- Total income from accommodation, catering, International Programmes and conferences (note 2) was £4.3m, an increase of £1.9m from the previous year, as students were back in College all year and International Programmes resumed in Cambridge from September 2021. Income from College Members accommodation increased to £2.9m (2020-21 £2.1m). Student weekly rents increased by c 7%.
- Investment drawdown was largely unchanged at £3.5m. Drawdown is calculated on a 4-year weighted average investment portfolio at 3.6%. Drawdown from actual investments at 30<sup>th</sup> June 2021-22 was 3.6% (2020-21 3.9%) in the year.
- Education costs increased from £7.6m to £8.4m. Subsequently, the education expenditure per student excluding research costs in the year went up to £11,499 per undergraduate (2020-21 £9,985) and £8,607 per postgraduate student (2020-21 £6,662). The increase reflects the fact that the college reopened fully in September 2021
- The total costs of accommodation, catering and International Programmes (note 5) increased to £6.7m (2020-21 £6.0m), as International Programmes students came back in September 2021 and even activities resumed (albeit slowly) during the academic year.
- The contribution to the Colleges' Fund was £34k on page 25 (2020-21 £34k).

### Development activity

The total income from donations received was £10.4m (2020-21 £15.0). This includes income detailed on page 25 (donations, endowment gifts and capital donations). The breakdown is as follows:

	£m
Annual giving	0.8
Restricted fund annual gifts	1.6
Unrestricted endowment gifts	0.1
Corporate donations	0.2
Capital gifts – Mill Lane	7.7
<b>Total</b>	<b>10.4</b>

Within total College expenditure of £19.7m, a total of £0.8m was spent on fundraising, corporate partnerships and alumni relations, including £0.4m on general fundraising.

### Staffing costs and pension schemes

The College makes pension-fund contributions on behalf of its employees to two defined-benefit schemes: the Cambridge Colleges Federated Pension Scheme (CCFPS) on behalf of some non-academic staff, and the Universities Superannuation Scheme (USS) on behalf of academic and other staff. Notes in respect of pension schemes are shown on pages 36 to 39 of the accounts. New non-academic staff are auto-enrolled into the NOW:Pension Scheme (a defined contribution scheme) when they become eligible.

## Pembroke College Operating and Financial Review (continued)

Payroll costs (academic and non-academic) in note 6 increased to £8.3m (2020-21 £7.6m). The main reasons are:

- Increase in both USS & CCFPS pension employer's contribution
- As the college reopens, vacancies are filled
- Casual staff used to man certain functions in College
- As IP restarts, some fixed terms appointments are required
- The College continues to pay the Real Living Wage as a minimum to all staff, casual and permanent, and continues to pay its non-contractual attendance bonus.

### Capital projects 2021-22 and future works/discretionary projects

During the year, the main projects were to refurbish several student hostels and T&U staircase. Expenditure on the Mill Lane project in the year totalled £19m which mainly related to the development of plans for Phase 1 and 2 of the building project and a payment to Darwin College (£1.4m). 4 Mill Lane was completed in time for the International programme students to use the premises in the summer 2022.

The major projects planned in 2022-23 include: Continued work to develop Mill Lane site – the renovation under Phase 1 of the Church building, new entrance to the site, and start of Phase 2 of the project. Budgets for 2022-23 include work to renovate V Staircases, student hostels (6 and 9 Fitzwilliam Street) and upgrade of fire alarms on the main site.

### General investment performance and cash management

The College holds a well-diversified portfolio covering most asset classes. The breakdown of assets in the investments portfolio at 30 June 2022 and 30 June 2021 is as follows:

	2020-21		2021-22	
	£'000	%	£'000	%
Investment vehicle				
Managed cash (other than operating balance)	3,294	3.4%	3,322	3.3%
Equities	51,439	52.9%	49,100	48.8%
Alternative investments (hedge funds, derivatives)	116	0.1%	-	0.0%
Property funds	9,323	9.6%	12,536	12.5%
College property – shops, land and commercially held properties	31,125	32.0%	33,469	33.2%
Private equity, venture capital	1,075	1.1%	1,367	1.4%
Other investments	791	0.9%	763	0.8%
<b>Total endowment investments</b>	<b>97,163</b>	<b>100.0%</b>	<b>100,557</b>	<b>100.0%</b>
Overall investment growth	10.40%		3.49%	
Drawdown for spending	3.90%		3.60%	
<b>Total return</b>				
<b>Private placement investments (note 9)</b>				
Managed cash	2,612	19.1%	612	4.8%
Equities	11,041	80.9%	12,268	95.2%
<b>Total other investments</b>	<b>13,653</b>	<b>100.0%</b>	<b>12,880</b>	<b>100.0%</b>
<b>Total investment portfolio (note 9)</b>	<b>110,816</b>		<b>113,437</b>	

## **Pembroke College Operating and Financial Review (continued)**

The College general investments are reviewed at two meetings a year by the Investments Committee. External managers are employed to manage specific elements of the investment portfolio. The College has a challenging long-term target total return of CPI plus 4%, i.e. to support investment drawdown plus educational inflation. During 2021-22, the endowment investments rose by £3.4m to £100.6m. In addition, the College holds £12.9m of investments in respect of private placement loan proceeds invested (with a further £1.4m still to invest). The loan repayment terms are described on page 33 (total loans £12.9m).

The College has a target of ensuring the investment portfolio has at least 5% invested in liquid funds (realisable in 0-10 days) and 9% in semi-liquid (realisable in 11 days to 6 weeks). The level of drawdown in 2021-22 was 3.6% of the 4-year weighted average investment level (or 3.9% of the actual investments at 30 June 2021).

The College's current investment approach, last updated in October 2019, is that the College has no direct investments in businesses which are predominantly involved in tobacco, arms, or fossil fuels. When considering whether to invest in pooled funds, where it is often impossible to specify exceptions, the level and materiality of investment is carefully considered. All College investment holdings (and the investment policy) are declared regular intervals on its website here: <https://www.pem.cam.ac.uk/college/about-pembroke/legal-information/investment-statement>

A divestment statement was also made here: <https://www.pem.cam.ac.uk/college/news/statement-divestment>. The College is also committed to regularly challenging its bankers and investment managers in respect of such areas as fossil fuel lending, exercise of voting rights and other ESG matters.

### **Reserves policy**

The College unrestricted reserves total £166.8m (2020-21 £152.2m) (page 26). This total does not include £44.3m of unrestricted endowment reserves in note 16. These reserves exist to support future generations of students, both through the provision of operational buildings and also income to partially support educational services. Reserves of £44.3m are insufficient to meet the income needs of the College and as such are supplemented by other income such as from International Programmes and fundraising. As the College is a long-term institution, reserves are held with a long-term view but an element of the unrestricted reserves could be spent as permissible by Statute and Ordinances. The Governing Body has set a minimum level of unrestricted endowment reserves of £35m that it would prefer to remain above, notwithstanding short-term stock market fluctuations. The College has an aim to repay from future surpluses any annual deficits incurred during the pandemic, but that the timing of this repayment will be assessed as more normal conditions return over the next two or three years.

Restricted reserves total an additional £76.5m (excluding £44.3m above), which includes unspent Mill Lane gifts (£20m). The restricted reserves can only be spent on purposes set down by the donor.

### **Challenges Ahead**

Due to the COVID-19 pandemic, the financial implications for the coming few years are likely to be significant and far-reaching. The College's budget of a £1m deficit was set for 2022-23. The College aims to return to an operational surplus in due course. However, the current geopolitical situation creates challenges in many respects.

- (a) Investment performance is likely to be negatively impacted
- (b) Although the College plans to increase student rents by an average of 7% per year, underlying inflation is well ahead of this.
- (c) Student fee income would be largely unchanged from previous years. As travel restrictions ease across the world, international students are more likely to come to Cambridge. However, this may be affected by the current international situation.
- (d) It is becoming increasingly challenging to recruit staff in some areas (catering in particular) and pressure on salaries are mounting. The College offered a Cost of Living increase to all staff in 2022-23 at 1.50% above the UCEA agreed scales.
- (e) Building refurbishment programmes would continue as planned.

The College will continue to review how the financial deficits for 2021-2023 (and potentially beyond if there is no return to normal IP activity levels) will be managed. The deficit is likely to be funded over a number of years, in particular to ensure that the College is not borrowing operating cash for longer than necessary so as to spread the deficit recovery over several generations of members. The College has sufficient cash reserves to fund the deficit for

**Pembroke College  
Operating and Financial Review (continued)**

at least the next two years as it decides how to manage the longer-term implications of the deficit and is therefore considered by the Trustees as a going concern. However, it will be important to ensure sufficient unrestricted, i.e. non-Mill Lane and endowment cash, exists to avoid the need for external borrowing. There appears to be no immediate need to change reserves policy and the drawdown policy remains broadly the same, although the College is reducing the percentage drawdown to 3.5% of the weighted average endowment over a 5-year period (from 4%).

A further area of risk and uncertainty is the impact on the USS pension deficit and employer covenants. As of June 2022, the provision has increased by £1.3m. Employers and employees contributions also increased during the year.

In addition to its normal operations, the College is managing a major expansion of its operations on the Mill Lane site, which is adjacent to the Medieval footprint of the College. The Mill Lane site will provide an Auditorium with Foyer, Gallery, Wellness Centre, nine teaching and General purpose rooms, a Cafe, a Gym, a Partnership Centre, offices, two shop-front commercial units and over a hundred student rooms. The total capital cost of these facilities will be around £85m (including land acquisition on a 200-year lease). The College is not intending to increase its student numbers, but these facilities should enable it to accommodate more students close to its centre and improve the quality of its operations.

Approved by: .....  ..... Dr A. Cates (Treasurer and Bursar)

Date of approval: 8<sup>th</sup> November 2022



## **Pembroke College**

### **Corporate Governance and Public Benefit Statement**

#### **Governance**

The Master and Fellows constitute the Governing Body of the College, to whose meetings are invited Junior Member representatives (for open business). The Governing Body is constituted and regulated in accordance with the College Statutes. The body is responsible for the strategic direction of the College, for its on-going administration, and for the management of its finances and assets. Meetings are held ten times a year under the chairmanship of the Master. Supporting the Governing Body is a range of committees including: Finance & Scrutiny, Development, Planning, Fellowship, Investment, Consultative, Teaching, Buildings and International Programme. Responsibilities of the Governing Body are more fully described on page 14.

The Governing Body members are also the Trustees of the charity and are listed on page 2. The principal officers are listed on page 1. There are Registers of Interests of Trustees and declarations of interest are made systematically at meetings.

#### **Risk assessment**

The major risks to which the College is exposed are reviewed regularly by the various College committees named above and reported to the Governing Body. Systems are in place, or are in the process of being established, to mitigate identified risks. The College Health & Safety Policy Statement is reviewed regularly and endorsed by the Governing Body and is displayed throughout the College. As part of this policy, the process for reporting accidents at work is described. The College maintains a general risk register which is updated and reviewed regularly with consideration of the necessary controls to mitigate those risks. The College also carries insurance against key business and financial risks. College departments have also carried out their own risk analysis with assistance from an outside consultant, which includes a review of critical systems and allowable recovery times. Furthermore, the project management of the Mill Lane project also includes a detailed risk register. Aside from the Mill Lane project, examples of (among many) key risk areas include:

- For the foreseeable future, the College is attempting to identify, assess, record and manage the risks associated with the COVID-19 pandemic. The College has followed Government and University guidelines in terms of this risk assessment exercise; is currently documenting its processes and procedures in different areas; participating fully in collegiate and University discussions and groups; communicating as effectively as possible with its' key stakeholders; ensuring that all financial controls are at least as robust as they were before the changed working environment.
- Poor academic performance – investment in educational resources and people to deliver high quality education; recruitment of high-quality students regardless of background.
- Future of home/EU tuition fees – continue to work with the University and other organisations to achieve the fairest allocation of resources.
- Attracting the best, most able students – ensuring Widening Participation and Admissions processes are well resourced and thorough.
- The degree of reliance on International Programmes income – ensuring the College diversifies IP and other College activities; forward planning to protect this valuable source of income.
- Recruitment and retention of staff and Fellows – investment in staff salaries and other benefits which are competitive in our market; investment in training for career development and support whilst in post.
- Pension provision for staff and Fellows – ensuring the long-term viability of pension provision across all three schemes.
- Availability of accommodation – maintaining and investing in buildings to ensure they are of suitable quality and house all Pembroke students who wish to be housed.
- Building projects being completed on time – ensure all major building projects have robust plans and budgets which are monitored over the project life.
- Success of fundraising and alumni relations – investment in the Development Office to enable a comprehensive programme of activities and fundraising to take place.
- Undergraduate tuition fees have not risen with inflation and they are unlikely to increase in the near future. This creates a risk of further attrition of fee levels by inflation.

## **Pembroke College**

### **Corporate Governance and Public Benefit Statement (continued)**

#### **Environmental policy**

In achieving excellence in teaching and research, Pembroke College manages its activities, buildings and estates to promote environmental sustainability, conserves and enhances natural resources and prevents environmental pollution to bring about a continual improvement in its environmental performance.

The College has an environmental policy statement which is reviewed regularly and endorsed by the Governing Body and is displayed in the College. The College has a Consultative Committee for Sustainability and the Environment which meets twice termly to discuss related issues.

#### **Equal opportunities**

Many matters relating to recruitment and employment matters are covered in the Staff Handbook. The College is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The College's employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on any grounds that are unjustified in terms of equality of opportunities for all.

#### **Public benefit statement**

In accordance with its Founding Charter and Statutes, the College's charitable purpose is to advance education, religion, learning and research for the public benefit by the provision, support and maintenance of a College in the University of Cambridge. A full statement of the public benefit it provides has been lodged with the Charity Commission. It is summarised as follows:

##### **Education:**

- The provision, in conjunction with the University of Cambridge, of an education for some 763 undergraduate and postgraduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills and so prepares them to play full and effective roles in Society.
- The provision of teaching facilities and individual or small group supervisions, as well as pastoral, administrative and academic support through its tutorial systems.
- Social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

##### **Research:**

- The provision of Research Fellowships to outstanding academics at an early stage of their careers, enabling them to focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.
- Supporting the research work of its other Fellows by promoting interaction across disciplines, providing facilities and grants for conferences, research trips, and materials.
- Encouraging visits from outstanding academics from abroad.
- Encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College also carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, it maintains and supports a Chapel and holds services which are open to the general public and visitors. Through the College Dean of Chapel, it supports the emotional, mental and spiritual well-being of all members of the College whatever their faith tradition or none. It is also the Patron of 14 parishes and maintains its historic link with Pembroke House, in Walworth, South London, a Charity whose aims overlap with those of Pembroke College, working in an area of high deprivation.

## **Pembroke College**

### **Corporate Governance and Public Benefit Statement (continued)**

The College maintains an extensive library, so providing a valuable resource for members of Pembroke, other Colleges, and the University of Cambridge more widely as well as external scholars and researchers and the public through regular exhibitions and the digitization of special collections materials.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research. However, beneficiaries include students and academic staff from other Colleges in Cambridge and from Cambridge University more widely, visiting academic staff from other higher education institutions and visiting school children who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend educational activities in the College such as exhibitions.

#### **Development**

The College has a Development and Corporate Partnership team of around 12 FTE which includes permanent staff and student telephone fundraisers. This team provides support for all fundraising, alumni relations and corporate partnership activities of the College. A Development Committee consisting of Fellows oversees Development activities and meets twice a term. There is also a Campaign Board which includes up to 20, mainly external, members and meets once per term. The College uses an external organisation to assist with the annual telephone fundraising campaign. On a less formal basis, the College also has a number of Alumni Chapters around the world which helps to support and promote the College. In addition, the College will soon create a number of Campaign Ambassadors to assist with networking and develop prospects around the world. During the year, there were no complaints. Pembroke College subscribes to the Fundraising Regulator's Code of Fundraising Practice.

## **Pembroke College**

### **Responsibilities of the Governing Body**

The Governing Body is responsible for the administration and management of the College's affairs.

The Governing Body presents audited financial statements for each financial year. These are prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards, including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

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

In causing the financial statements to be prepared, the Governing Body has sought to ensure that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

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

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Pembroke College**

### **Independent auditors' report to the Governing Body of Pembroke College, Cambridge**

#### **Opinion**

We have audited the financial statements of Pembroke College (the 'College') for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2022 and of its 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 and the Statutes of the University of Cambridge.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Governing Body are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Statutes of the University of Cambridge**

In our opinion based on the work undertaken in the course of the audit:

- The contribution due from the College to the University has been computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

## **Pembroke College**

### **Independent auditors' report to the Governing Body of Pembroke College, Cambridge (continued)**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review.

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

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Governing Body**

As explained more fully in the responsibilities of the Governing Body statement set out on page 14, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

## Pembroke College

### Independent auditors' report to the Governing Body of Pembroke College, Cambridge (continued)

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the College's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### Use of our report

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

*Peters Elworthy & Moore*

#### PETERS ELWORTHY & MOORE

Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date:

*1 December 2022*

Peters Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## **Pembroke College**

### **Statement of Principal Accounting Policies**

#### **1. Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 7.

The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

#### **Going concern**

The COVID pandemic impact is still being felt by the College. International Programmes started again in person in 2021-22, and the Pembroke Summer Programmes were held in July and August 2022 in the new buildings on Mill Lane. However, the global geo-political situation is putting further pressures on the College, with general inflation increasing rapidly, investment performance likely to be negatively impacted and staff recruitment proving challenging in some departments.

The Trustees have prepared forecasts for the period to 2027 based on high level assumptions regarding inflation and investment performance. The College reviews its cost base on a regular basis in order to combat the reduction in revenues and to extend financial headroom. The College has made use of the Government Job Retention Scheme. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

#### **2. Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and operational property which are included at valuation.

#### **3. Basis of consolidation**

The activities of student societies have not been consolidated on the basis that the College does not have control over the operation of the societies.

#### **4. Recognition of income**

##### ***Donations and endowments***

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
3. Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

**Grant income**

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

**Investment income and change in value of investment assets**

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

**Total return**

The College calculated its income requirements (based on a percentage of the 4-year weighted average investment value) and that amount was transferred to investment income in the Statement of Comprehensive Income and Expenditure. The income is stated net of investment management and property fees. All returns from cash or property held in respect of operating assets are treated as income as received.

**Academic fees**

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

**Other income**

Income is received from a range of activities including accommodation, catering conferences and other services rendered.

**Cambridge Bursary Scheme**

In 2021-22, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £160k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£165k
Expenditure	£325k

**5. Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contract, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

#### **6. Fixed assets**

##### **a) Land and buildings**

During 2018/19 the accounting policy for College land and buildings used for operational purposes changed. Following a review carried out by professional valuers Gerald Eve these land and buildings are now held at an updated depreciated replacement value. The valuation is reviewed annually with a full valuation at least every five years. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives with a range for the different buildings averaging between 30 to 55 years, where building structure is depreciated up to 150 years and fit-out/M&E services up to 40 years. Freehold land is shown separately and is not depreciated. Assets under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

When land and buildings are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is described in accounting policy 4 above.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

##### **b) Maintenance of buildings**

The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

##### **c) Furniture and equipment**

Furniture and equipment is not capitalised if an individual item costs less than £5k. Such expenditure is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Computer equipment/photocopiers	33% p.a. (3 years)
Boats	7% p.a. (15 years)
Heating systems	5% p.a. (20 years)
Other furniture and equipment	10% p.a. (10 years)

When furniture and equipment is acquired with the aid of specific bequests or donations, the policy for accounting for that income is described in accounting policy 4 above.

##### **d) Leased assets**

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

#### **e) Heritage assets**

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1<sup>st</sup> July 2003 or with a cost below £5k have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1<sup>st</sup> July 2003 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

#### **7. Investments**

Non-current investment assets are included in the balance sheet at market value. Investments that are not listed on a recognised stock exchange (except estate properties) are carried at net asset value.

While College hostels and other properties treated as operational assets are re-valued as stated in 6a) above, other properties and agricultural land held for their investment value are treated and valued as investment assets. Such investment assets are valued annually, at least by desktop valuation, by a professional valuer (Bidwells and Cheffins) and revalued on the balance sheet accordingly. Every five years, a full valuation is carried out.

#### **8. Stocks**

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

#### **9. Provisions**

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

#### **10. Taxation**

The College is a registered charity (number 1137492) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

#### **11. Contribution under Statute G, II**

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

#### **12. Pension schemes**

The College participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the College has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income and Expenditure.

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

The College operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

#### **13. Financial instruments**

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **14. Financial assets**

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of ownership are transferred to another party.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

**15. Financial liabilities**

Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the College enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The College does not apply any hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

**16. Contingent liabilities and assets**

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

**17. Employment benefits**

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

**18. Reserves**

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity.

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

#### **19. Critical accounting judgements**

The preparation of the College's accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under

the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

**Income recognition** – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

**Useful lives of property, plant and equipment** – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

**Investment property** – Properties are revalued to their fair value at the reporting date by Cheffins. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. Only those residential properties deemed to be out- with the core housing stock of the College are included in investment property. This status is regularly reviewed.

**Recoverability of debtors** – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due

**Retirement benefit obligations** – The costs of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 20.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 20.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

**Pembroke College**  
**Statement of Comprehensive Income and Expenditure**  
**Year ended 30th June 2022**

	Note	2022			2021				
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
Income									
Academic fees and charges	1	4,643	148	-	4,791	3,333	140	-	3,473
Accommodation, catering and conferences	2	4,305	2	-	4,307	2,474	0	-	2,474
Investment income	3a	142	39	1,574	1,755	17	138	1,536	1,691
Endowment return transferred	3a	1,592	1,929	(3,529)	(8)	1,546	1,870	(3,425)	(9)
Other income	3c	100	37	-	137	561	20	-	581
<b>Total income before donations and endowments</b>		<b>10,782</b>	<b>2,155</b>	<b>(1,955)</b>	<b>10,982</b>	<b>7,931</b>	<b>2,168</b>	<b>(1,889)</b>	<b>8,210</b>
Donations		780	794	-	1,574	689	775	-	1,464
New endowments		-	-	1,170	1,170	-	-	397	397
Other capital donations for Mill Lane project		-	7,664	-	7,664	-	13,125	-	13,125
<b>Total income</b>		<b>11,562</b>	<b>10,613</b>	<b>(785)</b>	<b>21,390</b>	<b>8,620</b>	<b>16,068</b>	<b>(1,492)</b>	<b>23,196</b>
Expenditure									
Education	4	6,233	2,172	-	8,405	5,275	2,328	-	7,603
Accommodation, catering and conferences	5	6,731	-	-	6,731	6,029	-	-	6,029
Other expenditure	7d	2,011	232	926	3,169	1,789	160	699	2,648
USS Provision	7d	1,346	-	-	1,346	(163)	-	-	(163)
Contribution under Statute G,II		26	8	-	34	28	6	-	34
<b>Total expenditure</b>		<b>16,346</b>	<b>2,412</b>	<b>926</b>	<b>19,684</b>	<b>12,958</b>	<b>2,494</b>	<b>699</b>	<b>16,151</b>
<b>(Deficit)/surplus before other gains and losses</b>		<b>(4,784)</b>	<b>8,201</b>	<b>(1,711)</b>	<b>1,706</b>	<b>(4,338)</b>	<b>13,574</b>	<b>(2,191)</b>	<b>7,045</b>
Gain/(loss) on investments	3a	(809)	118	4,527	3,836	1,723	556	10,438	12,717
<b>(Deficit)/surplus for the year</b>		<b>(5,593)</b>	<b>8,319</b>	<b>2,816</b>	<b>5,542</b>	<b>(2,615)</b>	<b>14,130</b>	<b>8,247</b>	<b>19,762</b>
Other comprehensive income									
Actuarial profit/(loss) in respect of pension schemes	15	1,144	-	-	1,144	901	-	-	901
<b>Total comprehensive income for the year</b>		<b>(4,449)</b>	<b>8,319</b>	<b>2,816</b>	<b>6,686</b>	<b>(1,714)</b>	<b>14,130</b>	<b>8,247</b>	<b>20,663</b>

The notes on pages 29 to 41 form part of these accounts.

**Pembroke College**  
**Statement of Changes in Reserves**  
**Year ended 30th June 2022**

	Income and expenditure reserve				Total £000
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	
Balance at 1 July 2021	76,110	76,084	41,139	87,580	280,913
(Deficit)/surplus from income and expenditure statement	(5,593)	-	8,319	2,816	5,542
Other comprehensive income	1,144	-	-	-	1,144
Release of restricted capital funds spent in the year	19,071	-	(19,071)	-	-
Transfer from endowment to unrestricted funds	-	-	-	-	-
<b>Balance at 30 June 2022</b>	<b>90,731</b>	<b>76,084</b>	<b>30,387</b>	<b>90,396</b>	<b>287,599</b>
			(note 17)	(note 16)	

	Income and expenditure reserve				Restated Total £000
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	
Balance at 1 July 2020	75,652	76,084	29,181	79,333	260,250
(Deficit)/surplus from income and expenditure statement	(2,615)	-	14,130	8,247	19,762
Other comprehensive income	901	-	-	-	901
Release of restricted capital funds spent in the year	2,172	-	(2,172)	-	-
Transfer from endowment to unrestricted funds	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>76,110</b>	<b>76,084</b>	<b>41,139</b>	<b>87,580</b>	<b>280,913</b>
			(note 17)	(note 16)	

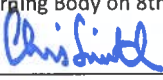
The notes on pages 29 to 41 form part of these accounts


**Pembroke College**  
**Balance Sheet**  
**Year ended 30th June 2022**

	Note	2022 £000	2021 £000
<b>Non-current assets</b>			
Fixed assets	8a	179,810	162,592
Heritage assets	8b	644	574
Investments	9	113,439	110,818
<b>Total non-current assets</b>		<b>293,893</b>	<b>273,984</b>
<b>Current assets</b>			
Stock	10	688	720
Trade and other receivables	11	2,608	7,746
Cash and cash equivalents	12	0	2,937
Short-term investments	13	19,387	25,072
<b>Total current assets</b>		<b>22,682</b>	<b>36,475</b>
<b>Creditors: amounts falling due within one year</b>	14a	<b>(10,008)</b>	<b>(10,657)</b>
<b>Net current assets</b>		<b>12,674</b>	<b>25,818</b>
<b>Total assets less current liabilities</b>		<b>306,567</b>	<b>299,802</b>
Creditors: amounts falling due after more than one year	14b	(14,440)	(14,556)
		292,127	285,246
<b>Provisions</b>			
Pension provisions	15	(4,530)	(4,333)
<b>Total net assets</b>		<b>287,597</b>	<b>280,912</b>
<b>Restricted reserves</b>			
Income and expenditure reserve - endowment reserve	16	90,396	87,580
Income and expenditure reserve - restricted reserve	17	30,387	41,139
		120,783	128,719
<b>Unrestricted reserves</b>			
Income and expenditure reserve - unrestricted reserve		90,731	76,110
Revaluation reserve		76,084	76,084
		166,815	152,194
<b>Total reserves</b>		<b>287,599</b>	<b>280,913</b>

The financial statements were approved by the Governing Body on 8th November 2022 and signed on its behalf by:

Approved by:

  
 Rt Hon Lord Smith of Finsbury (Master)

  
 Dr. A. Cates (Treasurer and Bursar)

The notes on pages 29 to 41 form part of these accounts.

**Pembroke College**  
**Cash Flow Statement**  
**Year ended 30th June 2022**

	Note	2022 £000	2021 £000
Cash flows from operating activities	21	16,555	(2,625)
Cash flows from investing activities	22	(16,275)	199
Cash flows from financing activities	23	(602)	(602)
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(322)</b>	<b>(3,027)</b>
Cash and cash equivalents at beginning of the year		(4,952)	(1,925)
<b>Cash and cash equivalents at end of the year</b>	24	<b>(5,275)</b>	<b>(4,952)</b>

The notes on pages 29 to 41 form part of these accounts.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2022**

1. Academic fees and charges	2022 £000	2021 £000
College fees		
Fee income received at the Regulated Undergraduate rate	1,973	1,967
Fee income received at the Unregulated Undergraduate rate	451	417
Fee income received at the Postgraduate rate	895	847
Fee income received at the International Programme rate	1,206	
	<u>4,525</u>	<u>3,231</u>
Other income	101	110
Cambridge Bursary Scheme	165	132
Total	<u>4,791</u>	<u>3,473</u>
2. Income from accommodation, catering and conferences income	2022 £000	2021 £000
International Programmes	535	(1)
Accommodation	2,957	2,108
College members		
Conferences	78	9
Catering	625	355
College members		
Conferences	112	3
Total	<u>4,307</u>	<u>2,474</u>
3a. Endowment and investment income	2022 £000	2021 £000
Income from investments and donations:		
Income drawdown from endowment	3,520	3,416
Freehold land and buildings	1	11
Other interest receivable	67	(14)
Private placement investment income	76	20
Mill Lane investment income	39	138
	<u>3,703</u>	<u>3,571</u>
Summary of total return:		
Income from:		
Land and buildings	454	492
Quoted and other securities and cash	1,119	1,045
Gains on endowment assets:		
Land and buildings	3,114	817
Quoted and other securities and cash	1,532	10,177
Investment management costs in respect of:		
Land and buildings	(490)	(320)
Quoted and other securities and cash	(436)	(433)
Total return for the year	<u>5,293</u>	<u>11,778</u>
Total return transferred to income and expenditure reserve (see above)	(3,529)	(3,425)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (page 25)	<u>1,764</u>	<u>8,353</u>
Gains on other assets:		
Quoted and other securities and cash (page 25)	<u>(809)</u>	<u>1,723</u>
3b. Investment management costs	2022 £000	2021 £000
Quoted securities - equities	294	273
Other investments	142	160
	<u>436</u>	<u>433</u>
3c. Other income	2022 £000	2021 £000
Lease of operational buildings	-	-
Income from sports facilities and equipment	13	16
HMRC Job Retention Scheme grant	43	497
Other income	81	68
	<u>137</u>	<u>581</u>

All Job Retention Scheme grant income has been used for wages and salaries.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2022**

4. Education expenditure	2022 £000	2021 £000
Teaching	1,659	1,423
Tutorial	1,639	1,488
Admissions and Access	973	853
Scholarships and awards	497	608
Other educational facilities	1,781	1,566
Academic community	<u>784</u>	<u>687</u>
	7,333	6,625
Research	1,072	978
<b>Total</b>	<b><u>8,405</u></b>	<b><u>7,603</u></b>

Total expenditure on student support during the year included above was £1.2m (2020 £1.1m).

5. Accommodation, catering and conferences expenditure	2022 £000	2021 £000
International Programmes	1,029	876
Accommodation	4,161	3,896
College Members		
Conferences	6	6
Catering	1,535	1,251
College Members		
Conferences	-	-
<b>Total</b>	<b><u>6,731</u></b>	<b><u>6,029</u></b>

6. Staff costs	Academic 2021-22 £000	Non-academic 2021-22 £000	Total 2021-22 £000	Total 2020-21 £000
<b>Staff costs</b>				
Salaries	1,504	5,185	6,689	6,030
National insurance	131	414	545	511
Other pension costs (see note 20 (d) )	332	719	1,051	1,021
	<u>1,967</u>	<u>6,318</u>	<u>8,285</u>	<u>7,562</u>
<b>Average staff no.s (full time equivalent)</b>	<b>2021-22</b>	<b>2021-22</b>	<b>2021-22</b>	<b>2021-22</b>
	<b>Number of Fellows</b>	<b>Full-time equivalents</b>	<b>Number of Fellows</b>	<b>Full-time equivalents</b>
Academic	67	2	70	2
Non-academic	5	155	5	152
	<u>72</u>	<u>157</u>	<u>75</u>	<u>154</u>

The number of officers and employees of the College, including the Head of House, who received remuneration in the following ranges was:

	2022	2021
£100,000 - £109,999	1	-
£110,000 - £119,999	-	1
£120,000 - £129,999	1	-

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

Of the 70 (2020-21- 75) College Fellows and Trustees declared above who are members of the Governing Body, all 70 (2020-21 - 75) receive remuneration. The Trustees receive no emoluments in their role as trustees of the charity.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated remuneration paid to key management personnel.

During the year, remuneration paid to Trustees in their capacity as Key Management Personnel were:

	2022 £000	2021 £000
Aggregate remuneration	<u>1,788</u>	<u>1,796</u>

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2022**

**7a. Analysis of expenditure by activity 2021-22**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2022 £000
Education (Note 4)	4,428	3,401	576	8,405
Accommodation, catering, and conferences (Note 5)	2,862	2,353	1,516	6,731
Other expenditure (Note 7d)	995	2,030	144	3,169
USS pension Provision	-	1,346	-	1,346
Contribution under Statute G,II	-	34	-	34
	<b>8,285</b>	<b>9,164</b>	<b>2,236</b>	<b>19,685</b>

Loan interest payable for the year to 30th June 2021 was £482k.  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £210k.

**7b. Analysis of expenditure by activity 2020-21**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2021 £000
Education (Note 4)	4,080	2,952	571	7,603
Accommodation, catering, and conferences (Note 5)	2,587	1,942	1,500	6,029
Other expenditure (Note 7d)	895	1,610	143	2,648
USS pension provision	-	(163)	-	(163)
Contribution under Statute G,II	-	34	-	34
	<b>7,562</b>	<b>6,375</b>	<b>2,214</b>	<b>16,151</b>

Loan interest payable for the year to 30th June 2021 was £482k.  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £210k.

**7c. Auditors' remuneration**

	2022 £000	2021 £000
Audit fees payable to the College's external auditors	27	21
Other fees payable to the College's external auditors	1	3

**7d. Other expenditure**

	2022 £000	2021 £000
Universities Superannuation Scheme - pension provision	1,346	(163)
Interest charges	475	482
Investment management fees	926	699
Other expenditure	423	1,467
	<b>3,169</b>	<b>2,485</b>

**8a. Fixed assets**

	College site Buildings £000	Assets in Course of Construction £000	College site Foundress Court £000	Houses for College Members £000	Sportsground & Boathouse £000	Land £000	Furniture & Equipment £000	Total 2022 £000	Total 2021
<b>Cost/valuation</b>									
At 1 July 2021	65,890	9,870	14,964	19,512	820	55,990	3,728	170,774	168,227
Additions	172	19,139	46	54	-	-	43	19,454	3,331
Disposals	-	-	-	-	-	-	-	-	(26)
Transfer to investments	-	(56)	-	56	-	-	-	-	(758)
<b>Cost/valuation as at 30 June 2022</b>	<b>66,062</b>	<b>28,953</b>	<b>15,010</b>	<b>19,622</b>	<b>820</b>	<b>55,990</b>	<b>3,771</b>	<b>190,228</b>	<b>170,774</b>
<b>Depreciation</b>									
At 1 July 2021	3,777	-	915	1,135	79	-	2,276	8,182	5,967
Provided for the year	1,337	-	309	390	27	-	173	2,236	2,215
Disposals	-	-	-	-	-	-	-	-	-
<b>Depreciation at 30 June 2022</b>	<b>5,114</b>	<b>-</b>	<b>1,224</b>	<b>1,525</b>	<b>106</b>	<b>-</b>	<b>2,449</b>	<b>10,418</b>	<b>8,182</b>
<b>Net book value</b>									
At 30 June 2022	60,948	28,953	13,786	18,097	714	55,990	1,322	179,810	162,592
At 30 June 2021	62,114	9,870	14,049	18,377	741	55,990	1,452	162,592	162,260

The insured value of freehold land and buildings as at 30 June 2022 was £207m (2021 £191m). All of the above assets are used for Collegiate purposes.

**Pembroke College**  
**Notes to the accounts**  
**Year ended 30th June 2022**

**8b. Heritage assets**

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2003 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for those on a cost-benefit basis, they have not been capitalised. As a result, the total cost included in the balance sheet is partial.

Amounts for the current and previous four years were as follows:

	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000
Total value 1st July	574	481	206	136	136
Acquisitions purchased with specific donations	-	-	275	-	-
Acquisitions purchased with College funds	70	13	-	-	-
Total cost of acquisitions purchased	70	13	275	-	-
Value of acquisitions by donation	-	80	-	70	-
Total acquisitions capitalised in year	70	93	275	70	-
Total value 30th June	644	574	481	206	136

**9. Investments**

	2022 £000	2021 £000
Balance at 1 July	110,818	99,526
Additions	2,290	12,063
Disposals	(785)	(8,676)
Transfer from fixed assets	-	758
Gain	3,088	12,271
(Decrease)/Increase in cash held by investment managers	(1,958)	(5,093)
Less: change in amount owed to Pembroke House	(14)	(31)
Balance at 30 June	113,439	110,818
General investments	100,559	97,165
Private placement investments	12,880	13,653
Balance at 30 June	113,439	110,818

Long-term investments:

	2022 £000	2021 £000
Commercial shops	2,637	2,550
Agricultural land	9,631	9,501
Residential property	21,200	19,075
Total investment properties	33,468	31,126
Equities	61,631	62,793
Other investments	13,908	10,403
Cash in hand and at investment managers	3,936	5,958
Loans to Fellows	763	791
Less: amount owed to Pembroke House	(267)	(253)
	113,439	110,818

**10. Stock**

	2022 £000	2021 £000
Kitchen	26	21
Cellar wine	656	693
Bar	2	2
Porters' Lodge	4	4
	688	720

**Pembroke College**  
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**Year ended 30th June 2022**

<b>11. Trade and other receivables</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	72	14
Members of the College	224	219
Debtors and prepayments - Other	1,664	7,513
Debtors due over 1 year	648	
<b>Trade and other receivables due within one year</b>	<b><u>2,608</u></b>	<b><u>7,746</u></b>

<b>12. Cash and cash equivalents</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Current accounts	-	-
Bank deposits	-	2,937
Cash	0	0
Less: amount owed to Pembroke House	(0)	(0)
	<b><u>0</u></b>	<b><u>2,937</u></b>

<b>13. Short-term investments</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Mill Lane deposits	19,387	25,072
	<b><u>19,387</u></b>	<b><u>25,072</u></b>

<b>14a. Creditors: amounts falling due within one year</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Bank overdrafts (see note below)	5,275	7,889
Bank loan	135	127
Trade creditors	527	363
Members of the College	888	838
Accruals and deferred income	2,808	1,167
University fees	4	2
Contribution to College Fund	34	34
Taxes and social security	37	117
Holiday & Bonus accrual	241	85
Other creditors	59	35
	<b><u>10,008</u></b>	<b><u>10,657</u></b>

<b>14b. Creditors: amounts falling due after more than one year</b>	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Bank loan	1,168	1,303
Members of the College	372	353
Other loans	12,900	12,900
	<b><u>14,440</u></b>	<b><u>14,556</u></b>

The original unsecured bank loan was for £2.3 million repayable over 20 years, at a floating rate of interest for the two years until 30 January 2012 and a fixed rate of 6.21% p.a. thereafter.

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £2.9 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £10 million. The loans are unsecured and repayable during 2058, and are at a fixed interest rate of 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

**Pembroke College**  
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**15. Pension provisions**

	CCFPS £000	USS £000	2022 £000	2021 £000
<b>(Deficit) in schemes in beginning of the year</b>	(3,288)	(1,045)	(4,333)	(5,371)
Movement in year:				
Recognised in income and expenditure	(264)	(1,354)	(1,618)	(136)
Contributions paid by the College	277	-	277	273
Actuarial (loss)/profit recognised in the Statement of Comprehensive Income and Expenditure	1,144	-	1,144	901
<b>(Deficit) in schemes at end of the year</b>	<b>(2,131)</b>	<b>(2,399)</b>	<b>(4,530)</b>	<b>(4,333)</b>
	note 20b	note 20a		

**16. Endowment funds**

	Restricted Permanent £000	Unrestricted Permanent £000	2022 £000 £000	2021 £000 £000
<b>Balance at beginning of year:</b>				
Capital	44,127	43,453	87,580	79,333
	<u>44,127</u>	<u>43,453</u>	<u>87,580</u>	<u>79,333</u>
New donations and endowments	1,137	33	1,170	397
Increase in market value of investments	866	780	1,645	7,850
<b>Balance at end of year (page 26)</b>	<b><u>46,130</u></b>	<b><u>44,266</u></b>	<b><u>90,396</u></b>	<b><u>87,580</u></b>
<b>Representing:</b>				
Fellowship Funds	12,609	-	12,609	12,336
Scholarship Funds	7,313	-	7,313	6,509
Prize Funds	1,033	-	1,033	1,011
Bursary/Hardship Funds	5,446	1,325	6,771	6,521
Travel Grant Funds	1,775	-	1,775	1,740
Graduate Funds	8,117	-	8,117	8,655
Other Funds	9,837	-	9,837	8,653
General endowments	-	42,941	42,941	42,155
<b>Total</b>	<b><u>46,130</u></b>	<b><u>44,266</u></b>	<b><u>90,396</u></b>	<b><u>87,580</u></b>
<b>Analysis by asset:</b>				
Property	13,610	13,060	26,670	24,599
Investments	1,600	1,536	3,136	58,273
Cash	30,920	29,670	60,590	4,708
	<u>46,130</u>	<u>44,266</u>	<u>90,396</u>	<u>87,580</u>

**Pembroke College**  
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**17. Restricted reserves**

	Capital grants unspent £000	Unspent Permanent £000	Restricted Expendable £000	2022 Total £000	2021 Total £000
<b>Balance at beginning of year:</b>					
Capital	-	-	6,055	6,055	5,243
Accumulated income	31,482	2,980	622	35,084	23,938
	<u>31,482</u>	<u>2,980</u>	<u>6,677</u>	<u>41,139</u>	<u>29,181</u>
<b>Transfers between funds in year</b>	-	-	-	-	-
Increase in market value of investments	-	-	118	118	556
<b>Capital grants</b>	7,664	-	-	7,664	13,124
Donations	-	3	791	794	775
Endowment return transferred	-	1,697	232	1,929	1,871
Other investment income	39	72	115	226	297
Expenditure	(75)	(1,507)	(830)	(2,412)	(2,493)
Capital grants utilised	(19,071)	-	-	(19,071)	(2,172)
<b>Movement in the year</b>	<u>(11,443)</u>	<u>265</u>	<u>426</u>	<u>(10,752)</u>	<u>11,958</u>
<b>Balance at end of year</b>	<u>20,039</u>	<u>3,245</u>	<u>7,103</u>	<u>30,387</u>	<u>41,139</u>
<b>Balance at end of year:</b>					
Capital	-	-	6,518	6,518	6,055
Accumulated income	20,039	3,245	585	23,868	35,084
	<u>20,039</u>	<u>3,245</u>	<u>7,103</u>	<u>30,387</u>	<u>41,139</u>
<b>Representing:</b>					
Fellowship Funds	-	688	2,533	3,221	2,992
Scholarship Funds	-	796	303	1,099	970
Prize Funds	-	123	825	948	88
Bursary/Hardship Funds	-	579	-	579	1,385
Travel Grant Funds	-	218	13	231	198
Graduate Funds	-	428	836	1,264	1,226
Other Funds	20,039	413	2,593	23,045	34,280
<b>Total</b>	<u>20,039</u>	<u>3,245</u>	<u>7,103</u>	<u>30,387</u>	<u>41,139</u>

**18. Memorandum of unapplied total return**

Included within reserves the following amounts represent the unapplied total return of the College:

	2022 £000	2021 £000
Unapplied total return at the beginning of the year	48,389	40,036
Unapplied total return for the year (see note 3a)	1,764	8,353
<b>Unapplied total return at end of year</b>	<u>50,153</u>	<u>48,389</u>

**19. Capital commitments**

Capital commitments contracted for at 30th June

Other commitments

The College has committed to invest in various private equity/venture capital funds over the next few years. Commitments, excluding distributions which may be made total \$290k (c £210k).

	2021 £000	2020 £000
Capital commitments contracted for at 30th June	177	15,903

## 20. Pension schemes

### (a) Universities Superannuation Scheme

#### DEFICIT RECOVERY LIABILITY

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](http://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:  1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

For 1 year only, we have assumed that RPI will be 11% and CPI 9%. The caps under the Rules are applied to assumed pension increases  
The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%.

The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate*	3.31%	0.78%
Pensionable salary growth Year 1	4.50%	3.20%
Pensionable salary growth Year 2	5.00%	3.20%
Pensionable salary growth Year 3 to 17	3.00%	3.20%

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**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme**

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme. The liabilities of the plan have been calculated, at 30 June 2022, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	30 June 2022	30 June 2021
Discount rate	3.80%	1.80%
Increase in salaries	3.25%	3.10%
RPI assumption	3.45%	3.40%
CPI assumption	2.75%	2.60%
Pension increases in payment (RPI Max 5% p.a.)	3.30%	3.30%
Pension Increases in payment (CPI Max 2.5% p.a.)	2.05%	1.95%

For 1 year only, we have assumed that RPI will be 11% and CPI will be 9%. The caps under the Rules are applied to assumed pension increases. The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI\_2021 future improvement factors and a long-term rate of future improvement of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements (2021: S3PA with CMI\_2020 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years).  
 Female age 65 now has a life expectancy of 24.3 years (previously 24.3 years).  
 Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years).  
 Female age 45 now and retiring in 20 years has a life expectancy of 25.7 years (previously 25.7 years).

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	Male	Female
Active members - Option 1 benefits	64	64
Deferred members - Option 1 benefits	63	62

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in their calculations.

**Employee Benefit Obligations**

The amounts recognised in the balance sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows.

	2022 £000	2021 £000
Total market value of assets	8,716	10,449
Present value of scheme liabilities	(10,847)	(13,737)
<b>Net pension liability</b>	<b>(2,131)</b>	<b>(3,288)</b>

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ended 30 June 2022 (with comparative figures for the year ended 30 June 2021) are as follows:

	2022 £000	2021 £000
Current service cost	189	207
Administration expenses	16	15
Interest on net defined benefit liability	59	61
Loss on plan changes	-	-
<b>Total</b>	<b>264</b>	<b>282</b>

Changes in the present value of the Scheme liabilities for the year ending 30 June 2022 (with comparative figures for the year ended 30 June 2021) are as follows:

	2022 £000	2021 £000
Present value of plan liabilities at beginning of period	13,737	13,902
Current service cost	189	207
Employee contributions	6	8
Benefits paid	(513)	(298)
Interest on plan liabilities	244	201
Actuarial (profits)/losses	(2,816)	(283)
Loss on plan changes	-	-
<b>Present value of plan liabilities at end of period</b>	<b>10,847</b>	<b>13,737</b>

**Pembroke College**  
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**Year ended 30th June 2022**

**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme (continued)**

Changes in the fair value of the plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £000	2021 £000
Market value of plan assets at beginning of period	10,449	9,721
Contributions paid by the College	277	274
Employee contributions	6	8
Benefits paid	(513)	(298)
Administration expenses	(22)	(26)
Interest on plan assets	185	140
Return on assets, less interest included in Comprehensive Income and Expenditure	(1,665)	629
<b>Market value of plan assets at end of period</b>	<b>8,717</b>	<b>10,449</b>
<b>Actual return on plan assets</b>	<b>(1,481)</b>	<b>769</b>

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2022 (with comparative figures for the year ended 30 June 2021) are as follows:

	2022 £000	2021 £000
Equities	52%	48%
Bonds and cash	34%	42%
Property	14%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The plan has no investments in property occupied by, assets used by or financial instruments issued by the College.

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £000	2021 £000
Return on assets, less interest included in Comprehensive Income and Expenditure	(1,665)	629
Expected less actual plan expenses	(6)	(11)
Experience gains and losses arising on plan liabilities	(945)	135
Changes in assumptions underlying the present value of plan liabilities	3,760	148
<b>Actuarial gain/(loss) recognised in OCI (page 25)</b>	<b>1,144</b>	<b>901</b>

Movement in (deficit) during the 12 months ending 30 June 2022 (with comparative figures for the year ended 30 June 2021) are as follows:

	2022 £000	2021 £000
(Deficit) in plan at beginning of year	(3,288)	(4,181)
Recognised in Statement of Comprehensive Income and Expenditure	(264)	(282)
Contributions paid by the College	277	274
Actuarial gain/(loss) recognised in OCI	1,144	901
<b>(Deficit) in plan at the end of the year</b>	<b>(2,131)</b>	<b>(3,288)</b>

**Funding Policy**

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102. The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £120,220 p.a. payable for the period from 1 July 2021 to 31 January 2028

These payments are subject to review following the next funding valuation, due as at 31 March 2023.

**Pembroke College**  
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**20. Pension schemes**

**(c) NOW:Pensions scheme**

The College operates a defined contribution scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £195k (2020 £179k) of which £22k (2020 £22k) was outstanding at the year end. Contributions are collected by Now Pensions by Direct debit a month in arrears

**(d) Summary of pension costs**

	2022 £000	2021 £000
Universities Superannuation Scheme	636	624
Universities Superannuation Scheme - pension provision	1,354	(163)
Cambridge Colleges Federated Pension Scheme	209	212
NOW:Pension Scheme	195	179
Death in service	10	6
<b>Total pension costs (note 6)</b>	<b>2,404</b>	<b>858</b>

**21. Reconciliation of surplus for the year to cash flows from operating activities**

	2022 £000	2021 £000
Surplus for the year	5,542	19,762
<b>Adjustment for non-cash items:</b>		
Depreciation (note 8)	2,236	2,215
(Gain) on endowments, donations and investment property	(3,836)	(12,717)
(Increase) in stocks	32	(1)
(Increase) in trade and other receivables	5,138	(5,231)
(Increase)/decrease in short-term investments	5,685	(6,004)
Increase/(decrease) in creditors	1,942	420
Pension costs less contributions payable	1,341	(137)
<b>Adjustment for investing or financing activities</b>		
Investment income	(1,755)	(1,691)
Investment costs	926	754
Interest payable	475	482
Endowment funds invested	(1,170)	(397)
Gift of heritage asset		(80)
<b>Total cash flows from operating activities</b>	<b>16,555</b>	<b>(2,625)</b>

**22. Cash flows from investing activities**

	2022 £000	2021 £000
Non-current investment disposal	3,529	3,425
Investment income	181	156
Endowment funds invested	1,170	397
Payments made to acquire non-current assets	(21,155)	(3,779)
<b>Total cash flows from investing activities</b>	<b>(16,275)</b>	<b>199</b>

**23. Cash flows from financing activities**

	2022 £000	2021 £000
Interest paid	(475)	(482)
Repayments of amounts borrowed	(127)	(119)
<b>Total cash flows from financing activities</b>	<b>(602)</b>	<b>(601)</b>

**Pembroke College**  
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**24. Analysis of cash and cash equivalents**

	At beginning of year £000	Cashflows £000	At end of year £000
Bank overdrafts	(7,889)	2,614	(5,275)
Cash at bank and in hand	2,937	(2,937)	0
<b>Net Funds (page 28)</b>	<b>(4,952)</b>	<b>(323)</b>	<b>(5,275)</b>

**25. Lease obligations**

At 30 June 2022 the College had commitments under non-cancellable operating leases as follows:

	2022 £000	2021 £000
Land and buildings:		
Expiring within one year	301	301
Expiring between two and five years	151	452
Expiring in over five years	-	-

**26. Reconciliation and analysis of net debt**

	At 1 July 2021 £000	Cashflows £000	New finance leases £001	Other non-cash changes £000	At 30 June 2022 £000
<b>Cash and cash equivalents</b>	2,937	(2,937)	-	-	0
<b>Borrowings:</b>					
<b>Amounts falling due within one year:</b>					
Bank overdraft	(7,889)	2,614	-	-	(5,275)
Unsecured loans	(127)	(8)	-	-	(135)
	(8,016)	2,606	-	-	(5,410)
<b>Borrowings:</b>					
<b>Amounts falling due after more than one year:</b>					
Unsecured loans	(14,203)	135	-	-	(14,068)
	(14,203)	135	-	-	(14,068)
<b>Total net debt</b>	<b>(19,282)</b>	<b>(196)</b>	<b>-</b>	<b>-</b>	<b>(19,478)</b>

**27. Financial instruments**

	2022 £000	2021 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive income</i>		
Listed equity investments (note 9)	61,364	62,540
Other investments (note 9)	13,908	10,403
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Other investments (note 9)	763	791
Cash and cash equivalents (note 9, 12, 13)	23,322	33,966
Other debtors (note 11)	267	326
<b>Financial liabilities</b>		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft (note 14a)	5,275	7,889
Loans (notes 14a, 14b)	14,203	14,330
Trade creditors (note 14a)	527	363
Other creditors (notes 14a, 14b)	1,394	1,379

**Pembroke College**  
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**28. Related party transactions**

Owing to the nature of the College's operations and the composition of the College Council (or equivalent), it is inevitable that transactions will take place with organisations in which a College Council member may have an interest. All transactions involving organisations in which a member of the College Council may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

During the current and preceding year no fees or expenses were paid to Fellows in respect of their duties as Trustees.

Fellows are remunerated for teaching, research and other duties within the College as permitted by the Statutes. Fellows are billed for any private catering. The Trustees remuneration is overseen by the Stipends Committee

In addition, the College has provided loans to its Fellows for personal use, and also as part of equity share arrangements. The following amounts are included in Investments in note 9:

	2022 £000	2021 £000
<b>Loans to Fellows</b>	763	791

The salaries paid to Trustees in the year are summarised in the table below:

From	To	2022 Number	2021 Number
£0	£10,000	44	44
£10,001	£20,000	9	12
£20,001	£30,000	4	6
£30,001	£40,000	2	0
£40,001	£50,000	0	0
£50,001	£60,000	2	5
£60,001	£70,000	5	2
£70,001	£80,000	2	1
£80,001	£90,000	1	2
£90,001	£100,000	1	2
£100,001	£110,000	1	0
£110,001	£120,000	0	1
£120,001	£130,000	1	1
<b>Total</b>		<b>72</b>	<b>76</b>

The total Trustee salaries were £1,450k for the year (2021 £1,420k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £725k for the year (2021 £700k).

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# Accounts

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# **Pembroke College, Cambridge**

## **Recommended Cambridge College Accounts (RCCA)**

**For the year ended 30th June 2021**

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## **Pembroke College Contact Information**

### **Address**

Pembroke College  
Trumpington Street  
Cambridge CB2 1RF

### **Key officers**

Master - Rt. Hon. Lord Smith of Finsbury  
Treasurer and Bursar – Dr. A. Cates  
Senior Tutor – Dr. A. W. Tucker (to 31<sup>st</sup> August 2021); Dr R Mayhew (from 1<sup>st</sup> September 2021)

### **Registered charity number**

1137492

### **VAT number**

214 2442 08

### **Professional advisors:**

#### **Actuaries**

Cartwright Group Limited  
Suite 7, 2<sup>nd</sup> Floor  
The Hub  
IQ Farnborough  
Farnborough  
Hants, GU14 7JP

#### **Auditors**

Peters Elworthy and Moore  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

#### **Bankers**

Barclays Bank Plc  
9-11 St Andrew's Street  
Cambridge  
CB2 3AA

#### **Principal solicitors**

HCR Hewitsons  
Shakespeare House  
42 Market Road  
Cambridge CB5 8EP

#### **Principal property managers**

Bidwells  
Trumpington Road  
Cambridge CB2 2LD

Cheffins Limited  
Clifton House  
1-2 Clifton Road  
Cambridge  
CB1 7EA

**Pembroke College  
Trustees of the charity**

Rt Hon Lord Smith of Finsbury  
Professor NA Fleck  
Professor MC Payne  
Professor TRS Allan  
Professor JP Parry  
Dr MR Wormald  
Professor D Robertson  
Professor LR Gelsthorpe  
Dr T Melssner  
Professor RJM Franklin  
Professor CJ Young  
Professor SS Cardoso  
Mr NJ McBride  
Professor N Cooper  
Professor KGC Smith  
Professor L Kassell (paused 30<sup>th</sup> September 2021)  
Professor V Deshpande  
Dr DN Tambakis  
Professor N Datta  
Professor AC Ferrari  
Professor RP Blakesley  
Professor AW Tucker  
Dr S Learmount  
Professor S Barrett  
Dr A Shadrin  
Revd Dr J Gardom  
Dr K Ettenhuber  
Mr M Mellor  
Professor Sir S O'Rahilly  
Professor G Csanyi  
Professor M Clatworthy  
Professor CM Lizieri  
Dr A Houen  
Professor R Gagne  
Dr M Gorji  
Professor C Loch  
Professor C Grey  
Dr M Abreu  
Dr S John  
Dr C Burt  
Professor R Johnson  
Dr A Cates

Dr P Cavill  
Professor J Durrell  
Dr MJ Sternberg  
Dr HGM Diemberger  
Dr S Cottaar  
Dr TT Weil  
Professor TG Micklem  
Dr IRM Hussin  
Professor P Warde  
Professor M Wyatt  
Dr A Madhavapeddy  
Dr G Hennequin  
Dr D Passolt  
Dr R Laemmle  
Dr N Burton  
Professor G Hayward  
Professor N Jones  
Dr J Bausch (left 31<sup>st</sup> March 2021)  
Dr A Fryxell (left 31<sup>st</sup> March 2021)  
Dr M Arbabzadah  
Professor M Hulme  
Dr J Kromdijk  
Dr A Ashraf  
Dr A Prorok  
Dr J Maratsos  
Dr M Halliday (left 30<sup>th</sup> September 2021)  
Ms C Tonooka (paused 3<sup>rd</sup> February 2021)  
Dr L Magri (left 31<sup>st</sup> March 2021)  
Professor A Cardona  
Professor H Bronstein  
Dr A-M Pappa (left 15<sup>th</sup> August 2021)  
Dr A Asseraf  
Professor R Kilner  
Dr H Elsis Ashmawi  
Dr R Mayhew (start 1<sup>st</sup> September 2021)  
Dr C Kamal (start 1<sup>st</sup> October 2021)  
Dr S Mohamed (start 1<sup>st</sup> October 2021)  
Dr N Morelli (start 1<sup>st</sup> October 2021)  
Dr S Ward (start 1<sup>st</sup> October 2021)  
Professor X Wei (start 1<sup>st</sup> October 2021)  
Professor R Morieux (start 1<sup>st</sup> October 2021)  
Dr M Colla (start 1<sup>st</sup> October 2021)

**Pembroke College**  
**Operating and Financial Review**  
**For the financial year ended 30 June 2021**

**Status**

Marie de St. Pol founded the College or Hall of Valence-Mary in the University of Cambridge, more commonly known as Pembroke College, in 1347. The College is an autonomous, self-governing community of scholars, and one of the thirty one Colleges within the University of Cambridge. The College is a registered charity and its registered charity number is 1137492.

**Aims and objectives**

The College is an institution of higher education. Its purposes are the promotion of education, religion, learning, research and scholarship, and the personal and intellectual development of its members. The College admits (as junior members) undergraduate and postgraduate students matriculated in the University of Cambridge. It provides financial and other support to those of its members who require it in order to achieve its purposes, and it supports teaching and research in the University. In furtherance of its objectives, the College maintains and manages an investment portfolio, including properties. Besides financial and tutorial support, it provides accommodation, catering, and other services to its members and to others. Governance arrangements for the College are set out on page 11.

**Overview of the Year**

On page 25, the College Statement of Comprehensive Income and Expenditure (SOCIE) shows a surplus of £20.7m (2020 surplus £1.1m). The SOCIE is a statement of all movements of the net assets of the College between one year and the next. Therefore, it reports all operating income and expenditure, investment gains and losses and other adjustments, e.g. total return and pension adjustments. Investment gains were £12.7m (2020 £0.9m). Mill Lane restricted gifts were £13.1m (2020 £2.4m). In the year, the USS pension provision fell by £0.2m (2020 provision fell £1.1m) and the CCFPS actuarial deficit fell by £0.9m (2020 deficit rose by £0.04m). The boxed section on page 25 is, in effect, the operating result as reported for the year. Therefore, the College reported a deficit of £4.3m for 2020/21 compared to £0.9m for 2019/20, an increased deficit principally because of the loss of all International Programmes activity, lower student rental income in Lent Term and greatly reduced Catering/event activity.

The College management accounts for the year reported a deficit of £2.3m (2020 surplus £40k). The difference between that and the RCCA deficit of £4.3m is as follows:

	£m
<b>Management accounts deficit</b>	<b>(2.3)</b>
Add:	
Capital additions	0.4
Less:	
Depreciation	(2.2)
Other	(0.2)
<b>Deficit included in SOCIE</b>	<b>(4.3)</b>

The College aims for a balanced budget in its management accounts, which in the past year was not possible due to the pandemic. After a planned smaller deficit of £0.5m in 2021/22, expectations are for a return to surplus in 2022/23. The College will then assess how to manage the impact of the 2020-2022 deficit over the longer term.

The Balance Sheet shows net assets of £280.9m (2020 £260.3m), including investments of £110.8m (2020 £99.5m), where £97.2m relates to endowment assets. Total assets include short-term investments of £25.1m which consist of gifts (net of expenditure) to fund the Mill Lane project. There is also a payment of £6.3m in process in July 2021 from the Dolby family.

Total return for the year was 13.4% (2020 2.4%). Total return includes income and capital growth but excludes donations to the endowment.

**Students**

During the year, the College educated 481 (2020 459) undergraduate students and 283 (2020 256) postgraduate students. This includes all students up to the time they complete their studies, regardless of the time spent at the College.

## **Pembroke College Operating and Financial Review (continued)**

The College admits as students those who have the greatest potential for benefiting from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of their financial, social, religious or ethnic background.

The previous year has been exceptional with regard to admissions, due to the COVID-19 pandemic. Various national lockdowns meant that the decision was made by the University to move the entire undergraduate selection process online, including interviews and both the Summer and Winter Pools. The number of students accepted by Pembroke in 2020 was higher than usual, as more students than anticipated met their offers.

Undergraduate student applications are shown below, showing the level of diversity of students attending Pembroke. About 29.6% of undergraduate applications are from overseas (including EU) backgrounds:

### **Applicants**

- Number of applicants 891 (2020 903)
- Arts 443 or 50% (2020 43%); Science 448 or 50% (2020 57%)
- Male 53% (2020 52%), female 47% (2020 48%)
- Home 70% or 627; EU 7% or 66 (2020 Home/EU 84%); Overseas 22% or 198 (2020 16%)
- State school applicants – maintained sector 421 or 68% (2020 493 or 73%); independent sector 201 or 33% (2020 184 or 27%)

### **Offers**

- Number of offers made for 2021 entry 154 (17% of applicants) (2020 174 or 19%)
- State educated 69%, independent educated 31% (of home offers)
- Male 58%, female 42%

The College charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to overseas undergraduates and any Home undergraduates not entitled to Student Support. Accommodation and meals are charged at reasonable rates.

### **Widening Participation**

The College's work in the area of widening participation helps young people from backgrounds which are traditionally under-represented at Cambridge to have confidence in their ability and to consider applying to top universities, including Cambridge. It equips the students with information relevant to their stage in the student life cycle, and how to understand the additional elements of the application process at Cambridge. In particular we work to debunk myths about what we are looking for in successful applicants. The events that we deliver are targeted according to the stage participants are at; for example, sixth formers benefit from sessions targeted at the application process and super curricular exploration, whilst key stage 4 students receive support on A level selection and early preparation. In addition, we work with teachers to help them more fully understand what we are looking for in applicants, and how our application process works, enabling them to better advise the students they are working with. Our programme includes both events that work with school groups, and those with a focus on individual applicants.

The COVID-19 pandemic has necessitated changes to the ways in which the Schools Liaison Team has delivered its work over the last year. All in person events were cancelled, with provision moving online as far as possible. This included online personal statement sessions, teachers' Q&As, interview workshops, and provision for the University and College open days – both live, and in the format of pre-recorded videos. Engagements with schools have been rarer than previously, due both to the fact that the School Liaison Team was temporarily without one member of staff, as well as schools and colleges being closed and needing to make provision for online teaching.

Our event programme is frequently reviewed and updated as appropriate; in the coming year it will include masterclasses, personal statement workshops, visit days, open days, remote interview sessions, and online residential events – amongst other activities. Within total admissions and access costs of £0.9m shown on page 30, £0.5m was spent on Access and Widening Participation activity in the year.

## Pembroke College Operating and Financial Review (continued)

### Student Support

In order to assist undergraduates entitled to Student Support, the College provides, through the Cambridge Bursary Scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. That scheme was approved by the Office of Fair Access (OFFA) and provides benefits at a substantially higher level than the minimum OFFA requirement. In total £1m has been provided to students through this and other College provision over the last three years as detailed in the table. The majority of bursary support is provided through the Cambridge Bursary Scheme. In addition, undergraduate studentships have been supported over the same period with £56k of funding.

The College also provides substantial financial support to its postgraduate students. This has amounted to £1.4m over the past three years and includes scholarships to fund fees and living costs, as well as 'top-up' funding to fill shortfalls in students' funding packages.

The College supports all students through a grant scheme to assist with the purchase of books and equipment, attendance at conferences, childcare support, vacation study, counselling and travel grants. In the period June 2018 to June 2021, this support amounted to £0.4m. Additional counselling support has increased of late, in addition to the other support offered to students such as via the University/College counselling services. Prizes and scholarships of £0.3m have also been awarded over the same 3-year period. Awards were greatly reduced in 2019/20 due to the effects of the pandemic on the Easter Term.

In addition to its other programmes, the College operates a maintenance/hardship scheme for students in financial hardship which has provided £0.4m of assistance in the past 3 years.

The following table shows the awards made to students over the three years:

Support	3 Year Total £k	2020/21 £k	2019/20 £k	2018/19 £k
Postgraduate studentships	1,390	467	495	428
Undergraduate studentships	56	19	16	21
Cambridge Bursaries	844	300	265	279
Other bursary/student support	131	19	54	58
Prizes and scholarships	256	96	33	127
Maintenance/rent rebates	362	136	131	95
Book grants	37	17	7	13
Research expenses	95	6	36	53
Counselling support (excluding University Counselling service and in-house counselling c £45k p.a.)	67	40	17	10
Vacation study	99	56	12	31
Other awards	82	24	30	28
<b>Total awards</b>	<b>3,419</b>	<b>1,180</b>	<b>1,096</b>	<b>1,143</b>

The College's aims in the area of student funding are to support academic excellence irrespective of financial background, in a diverse and interdisciplinary community. We wish to attract the most able students and enable them to reach their academic potential. This area is managed by the Student Finance Committee reflecting the growing complexity and budget of student funding. In order to achieve the greatest possible accountability, the committee shall: 1) support strategic and budgetary planning; 2) allow for adaptability in light of changes to University and national/external funding policy landscape; and 3) respond to the needs of other sections of the College including, for example, the Admissions, Postgraduate, and Development Offices. What is covered by the student funding policy falls into three broad areas: 1) Means tested undergraduate student support, in partnership and in addition to the Cambridge Bursary scheme; 2) non-means tested postgraduate studentships awarded at entry in partnership with the University complemented by a Pembroke MPhil Scheme; 3) General support available to all students. General support for undergraduates includes vacation study grants and academic enrichment, hardship funds, counselling and medical fee support, general travel awards as well as subject specific expenses. Postgraduates have the opportunity to apply for research specific travel and conference support, as well as support-in-kind for Pembroke student led symposia/conferences in Cambridge, academic enrichment and hardship funds; counselling and medical fee support.

## **Pembroke College Operating and Financial Review (continued)**

### **Academic performance**

In 2020/21, Pembroke College continued its excellent performance for undergraduate examination results despite the difficult operating environment throughout the year.

### **Employees**

In order to fulfil its charitable purposes, the College employs as Fellows: College Lecturers, Supervisors, Director of Studies, Tutors, Clergy and senior administrative officers, all of whom, along with the Master, serve as charity trustees through being members of the College's Governing Body. The employment of the Master and Fellows is undertaken with the intention of furthering the College's objectives and their employment directly contributes to the fulfilment of those aims (although paying Fellows who are trustees is allowed by the Charity Commission). The benefit accruing to the Master and Fellows through salaries, stipends and employment related benefits is objectively reasonable, measured against academic stipends generally; furthermore, annual pay increases normally follow national settlements applying to the university sector. Without the employment of Fellows, the College could not fulfil its charitable aims as a College in the University of Cambridge. The total number of Fellows in the year was 75 (2020 79) excluding Life Fellows. The College also employs 154 other FTE members of staff to provide the professional, academic and service support necessary to run the College. This figure compares with 185 in 2019/20. The reduction is due to no International Programmes activities in the year and a pause in some recruiting. No staff redundancies were made as a result of the pandemic and the College made use of the Government Job Retention Scheme. In addition, the College continued to pay a staff attendance bonus.

### **Internal Beneficiaries**

The Master and Fellows of the College receive a number of benefits as beneficiaries. These include accommodation, loans, research grants, conference grants and book grants. These benefits are provided with the intention of furthering the College's aims and primarily that of advancing research. The amounts of the benefits provided are objectively reasonable, measured against the academic benefits made available to others in the sector.

### **Funding of the College**

Pembroke College is funded from a series of sources. Including endowment gifts, the principal elements of income are as follows:

	<b>2020-21</b>	<b>2019-20</b>
Donations (including legacies but excluding capital gifts)	14%	10%
Income from investment drawdown	29%	21%
International Programmes and functions/events	0%	29%
Student fees	28%	19%
Student rooms	17%	11%
Other (including catering, properties)	12%	10%
Total	100%	100%

### **Financial performance**

The College manages its finances through a set of management accounts. During the year, the College managed its budget with a deficit of £2.3m, higher than the budgeted deficit of £2.1m. The main variances were: student fees £0.3m higher; room rents £0.3m lower; International Programmes income £0.7m lower; Job Retention Scheme grant £0.3m higher; salaries £0.2m lower; Catering non-pay costs £0.3m lower; maintenance costs £0.2m higher. The College increased spend on maintenance by £0.2m. Maintenance projects included R staircase, 2 Pembroke Street and 10 Fitzwilliam Street. Despite the challenges posed by Government restrictions in the Lent Term and greatly reduced international travel affecting International Programmes, the overall deficit did not significantly differ from budget.

On the investment front markets were much improved in comparison to the previous year resulting in a 13.4% **total return** overall (higher than the long-term target of CPI + 4%) (2020 2.4%).

During the year, the College's net assets increased to £280.9m (see pages 25 and 27) Investment in the endowment of £0.8m was made in the year. Investment assets, including private placement funds invested, increased from £99.5m to £110.8m, a rise of 11.4% (page 32).

College income increased from £17.6m in 2019/20 to £23.2m in 2020/21, despite income from fees, room rents and IP falling by £4.7m, gifts rose by £10.9m. The Statement of Comprehensive Income and

## Pembroke College Operating and Financial Review (continued)

Expenditure (see page 25), in the boxed section, reports a net deficit of £4.3m (2019/20 deficit £0.9m). Depreciation accounted for £2.2m in both years and the USS pension provision exceptionally reduced by £1m in 2019/20 and £0.2m in 2020/21 (due to the change of assumptions regarding the past service deficit and the timing of that change).

### Other financial issues of note from the RCCA are:

- Fees in note 1 include College fees from IP Semester students of £NIL (2020 £1.3m).
- Total income from accommodation, catering, International Programmes and conferences (note 2) fell to £2.5m (2020 £6.1m). Income from College Members accommodation increased to £2.1m (2020 £1.9m). Student weekly rents increased by c 7%. There was a significant rent reduction in Lent Term 2021 due to the pandemic restrictions in place.
- Investment drawdown was largely unchanged at £3.4m. Drawdown is calculated on a 4-year weighted average investment portfolio at 3.9%. Drawdown from actual investments at 30<sup>th</sup> June 2020 was 3.9% (2020 3.8%) in the year.
- Education costs were unchanged at £7.6m. Student numbers increased in the year as mentioned above. The education expenditure per student excluding research costs decreased in the year to £9,985 per undergraduate (2020 £10,301) and £6,662 per postgraduate student (2020 £7,135).
- The total costs of accommodation, catering and International Programmes (note 5) decreased to £6.0m (2020 £8.3m). This was mostly an effect of the pause in International Programmes and event activity.
- The contribution to the Colleges' Fund was £34k on page 25 (2020 £23k).

### Development activity

The total income from donations received was £15.0m (2020 £4.2m). This includes income detailed on page 25 (donations, endowment gifts and capital donations). The breakdown is as follows:

	£m
Annual giving	0.5
Restricted fund annual gifts	1.1
Unrestricted endowment gifts	0.1
Corporate donations	0.1
Gift of heritage asset	0.1
Capital gifts – Mill Lane	13.1
<b>Total</b>	<b>15.0</b>

Within total College expenditure of £16.1m, a total of £0.7m was spent on fundraising, corporate partnerships and alumni relations, including £0.3m on general fundraising.

### Staffing costs and pension schemes

The College makes pension-fund contributions on behalf of its employees to two defined-benefit schemes: the Cambridge Colleges Federated Pension Scheme (CCFPS) on behalf of some non-academic staff, and the Universities Superannuation Scheme (USS) on behalf of academic and other staff. Notes in respect of pension schemes are shown on pages 36 to 39 of the accounts. Most new staff are auto-enrolled into the NOW:Pension Scheme (a defined contribution scheme).

Payroll costs (academic and non-academic) in note 6 reduced to £7.4m (2020 £7.6m). The decrease occurred because of:

- A swing in USS pension provision of £0.9m between 2020 and 2021.
- Staff vacancies not always filled, e.g. Housekeeping and Catering.
- No agency/few casual staff used in Catering.
- No IP fixed term appointments.
- Fewer Research Fellows in the year.
- In 19/20, two fixed term appointments were required to cover CTOs on leave.
- The College continues to pay the Real Living Wage as a minimum to all staff, casual and permanent, and has continued to pay its' non-contractual attendance bonus (despite the difficult operating climate).

## Pembroke College Operating and Financial Review (continued)

As part of a change to the RCCA last year, the reader's attention is drawn to note 29 and disclosure of payments to trustees for their teaching, tutorial and College Officer roles, shown in bands of £10k. We can see that over 80% of all Fellow Trustees are paid less than £30k p.a. by the College for these roles. No Fellow is paid for being a Trustee. There has been little change since last year.

### Capital projects 2020/21 and future works/discretionary projects

During the year, the main projects were to refurbish several student hostels and R staircase. Expenditure on the Mill Lane project in the year totalled £3m which mainly related to the development of plans for Phase 1 and 2 of the building project (£1.2m) and the purchase from Queens' College of their share of Millers Yard (£1.8m). 1 Little St Mary's Lane was transferred from operational to investment properties (£0.8m).

The major projects planned in 2021/22 include: Continued work to develop Mill Lane site – the renovation under Phase 1 of the Church building, new entrance to the site and 4/6 Mill Lane. Budgets for 2021/22 include work to renovate T/U Staircases and three student hostels.

### General investment performance and cash management

The College holds a well-diversified portfolio covering most asset classes. The breakdown of assets in the investments portfolio at 30 June 2021 and 30 June 2020 is as follows:

<b>General Investments</b>	<b>Amount 2021 £m</b>	<b>% Of total</b>	<b>Amount 2020 £m</b>	<b>% Of total</b>
<b>Investment assets (note 9)</b>	<b>97.2</b>		<b>88.0</b>	
Managed cash (other than operating balance)	9.0	9.4	9.5	10.8
Equities	37.4	38.6	33.2	37.7
Alternative investments (hedge funds, derivatives)	3.3	3.4	3.3	3.8
Property funds	10.8	11.1	8.1	9.2
College property – shops, land and commercially held properties	31.1	32.1	29.5	33.5
Private equity, venture capital	4.6	4.7	3.5	4.0
Other investments	0.7	0.7	0.9	1.0
<b>Total endowment Investments</b>	<b>97.2</b>	<b>100.0</b>	<b>88.0</b>	<b>100.0</b>
Overall investment growth	10.4%		-1.2%	
New investment	-0.9%		-0.2%	
Drawdown for spending	3.9%		3.8%	
<b>Total return</b>	<b>13.4%</b>		<b>2.4%</b>	
<b>Private placement investments (note 9)</b>				
Managed cash	2.5	18.3	4.1	35.7
Equities	11.2	81.7	7.4	64.3
<b>Total other investments</b>	<b>13.7</b>	<b>100.0</b>	<b>11.5</b>	<b>100.0</b>
<b>Total investment portfolio (note 9)</b>	<b>110.9</b>	<b>100.0</b>	<b>99.5</b>	<b>100.0</b>

The College general investments are reviewed at two meetings a year by the Investments Committee. External managers are employed to manage specific elements of the investment portfolio. The College has a challenging long-term target total return of CPI plus 4%, i.e. to support investment drawdown plus educational inflation. During 2020/21, the endowment investments rose by £9.2m to £97.2m and generated a total return of 13.4%. This figure is as adjusted for the new investment of £0.8m and the £3.4m drawn down to fund expenditure. In addition, the College holds £13.7m of investments in respect of private placement loan proceeds invested (with a further £1.4m still to invest). The loan repayment terms are described on page 33 (total loans £12.9m).

## **Pembroke College Operating and Financial Review (continued)**

The College has a target of ensuring the investment portfolio has at least 5% invested in liquid funds (realisable in 0-10 days) and 9% in semi-liquid (realisable in 11 days to 6 weeks). The level of drawdown in 2020/21 was 3.9% of the 4-year weighted average investment level (or 3.9% of the actual investments at 30 June 2020).

The College's current investment approach, last updated in October 2019, is that the College has no direct investments in businesses which are predominantly involved in tobacco, arms, or fossil fuels. When considering whether to invest in pooled funds, where it is often impossible to specify exceptions, the level and materiality of investment is carefully considered. All College investment holdings (and the investment policy) are declared at 6-monthly intervals on its website here: <https://www.pem.cam.ac.uk/college/about-pembroke/legal-information/investment-statement>

A divestment statement was also made here: <https://www.pem.cam.ac.uk/college/news/statement-divestment>. The College is also committed to regularly challenging its bankers and investment managers in respect of such areas as fossil fuel lending, exercise of voting rights and other ESG matters.

### **Reserves policy**

The College unrestricted reserves total £152.2m (2020 £151.7m) (page 26). This total excludes £43.5m of unrestricted endowment reserves in note 16. These reserves exist to support future generations of students, both through the provision of operational buildings and also income to partially support educational services. Reserves of £43.5m are insufficient to meet the income needs of the College and as such are supplemented by other income such as from International Programmes and fundraising. As the College is a long-term institution, reserves are held with a long-term view but an element of the unrestricted reserves could be spent as permissible by Statute and Ordinances. The Governing Body has set a minimum level of unrestricted endowment reserves of £35m that it would prefer to remain above, notwithstanding short-term stock market fluctuations. The College has an aim to repay from future surpluses any annual deficits incurred during the pandemic, but that the timing of this repayment will be assessed as more normal conditions return over the next two or three years.

Restricted reserves total an additional £85.2m (excluding £43.5m above), which includes unspent Mill Lane gifts. The restricted reserves can only be spent on purposes set down by the donor.

### **Challenges Ahead**

Due to the COVID-19 pandemic, the financial implications for the coming few years are likely to be significant and far-reaching. The College's budget of a £0.5m deficit for 2021/22 was set with a provisional target of a £0.5m surplus in 2022/23 as summer International Programmes hopefully are able to return in 2022.

- (a) There will be no summer programmes in 2021 but it is hoped that semester programmes will return in September 21 and January 22. Currently, a reduction in semester student numbers poses the largest financial risk to achieving the budget set in 21/22.
- (b) Student weekly rents to increase by 7% and the move away from Kitchen Fixed Charge to a facilities charge.
- (c) Student fee income would be largely unchanged from previous years. The main area of uncertainty is the impact on overseas students and their desire/ability to travel, which might reduce overseas student fee income as in 20/21.
- (d) The Government Job Retention Scheme ends in September. Recruitment to fill vacant posts has begun. It is assumed that activity levels will increase without the need for further support or action.
- (e) Building refurbishment programmes would continue as planned.
- (f) Catering activity is expected to return in October 21, restrictions permitting. There will be a gradual return to a full programme of College events through 2021/22.


The College will continue to review how the financial deficits for 2020-2022 (and potentially beyond if there is no return to normal IP activity levels) will be managed. The deficit is likely to be funded over a number of years, in particular to ensure that the College is not borrowing operating cash for longer than necessary so as to spread the deficit recovery over several generations of members. The College has sufficient cash reserves to fund the deficit for at least the next two years as it decides how to manage the longer-term implications of the deficit and is therefore considered by the Trustees as a going concern. However, it will be important to ensure sufficient unrestricted, i.e. non-Mill Lane and endowment cash, exists to avoid the need for external borrowing. There appears to be no immediate need to change reserves policy and the drawdown policy remains broadly the same, although the College is reducing the percentage drawdown to 3.5% of the

**Pembroke College  
Operating and Financial Review (continued)**

weighted average endowment over a 5-year period (from 4%).

A further area of risk and uncertainty is the impact on the USS pension deficit and employer covenants. As we can see, the position at 30<sup>th</sup> June 2021 is relatively benign but funding discussions are still on-going and it is likely that the USS pension scheme contribution rates (and perhaps benefits) will need to change again soon.

Following the 2017 Campaign Launch ("The Time and the Place"), fundraising to develop the Mill Lane site is a priority to build on the generous Dolby bequest and other gifts. The main Mill Lane site Phase 1 redevelopment has now started and will be completed before 2023, Phase 2 will include the creation of a new student courtyard and accommodation and be complete in 2024/25. The greatest challenge the College faces continues to be creating the vision of the Mill Lane site in a cost-effective way, managing expectations and doing so within the funds available from gifts and other sources.

Approved by:  ..... Dr A Cates (Treasurer and Bursar)

Date of approval: 9<sup>th</sup> November 2021

## **Pembroke College Corporate Governance and Public Benefit Statement**

### **Governance**

The Master and Fellows constitute the Governing Body of the College, to whose meetings are invited Junior Member representatives (for open business). The Governing Body is constituted and regulated in accordance with the College Statutes. The body is responsible for the strategic direction of the College, for its on-going administration, and for the management of its finances and assets. Meetings are held ten times a year under the chairmanship of the Master. Supporting the Governing Body is a range of committees including: Finance, Development, Planning, Fellowship, Investment, Consultative, Teaching, Buildings, International Programmes and General Policy. Responsibilities of the Governing Body are more fully described on page 14.

The Governing Body members are also the Trustees of the charity and are listed on page 2. The principal officers are listed on page 1. There are Registers of Interests of Trustees and declarations of interest are made systematically at meetings.

### **Risk assessment**

The major risks to which the College is exposed are reviewed regularly by the various College committees named above and reported to the Governing Body. Systems are in place, or are in the process of being established, to mitigate identified risks. The College Health & Safety Policy Statement is reviewed regularly and endorsed by the Governing Body and is displayed throughout the College. As part of this policy, the process for reporting accidents at work is described. The College maintains a general risk register which is updated and reviewed regularly with consideration of the necessary controls to mitigate those risks. The College also carries insurance against key business and financial risks. College departments have also carried out their own risk analysis with assistance from an outside consultant, which includes a review of critical systems and allowable recovery times. Furthermore, the project management of the Mill Lane project also includes a detailed risk register. Aside from the Mill Lane project, examples of (among many) key risk areas include:

- For the foreseeable future, the College is attempting to identify, assess, record and manage the risks associated with the COVID-19 pandemic. The College has followed Government and University guidelines in terms of this risk assessment exercise; is currently documenting its processes and procedures in different areas; participating fully in collegiate and University discussions and groups; communicating as effectively as possible with its' key stakeholders; ensuring that all financial controls are at least as robust as they were before the changed working environment.
- Poor academic performance – investment in educational resources and people to deliver high quality education; recruitment of high-quality students regardless of background.
- Future of home/EU tuition fees – continue to work with the University and other organisations to achieve the fairest allocation of resources.
- Attracting the best, most able students – ensuring Widening Participation and Admissions processes are well resourced and thorough.
- The degree of reliance on International Programmes income – ensuring the College diversifies IP and other College activities; forward planning to protect this valuable source of income.
- Recruitment and retention of staff and Fellows – investment in staff salaries and other benefits which are competitive in our market; investment in training for career development and support whilst in post.
- Pension provision for staff and Fellows – ensuring the long-term viability of pension provision across all three schemes.
- Availability of accommodation – maintaining and investing in buildings to ensure they are of suitable quality and house all Pembroke students who wish to be housed.
- Building projects being completed on time – ensure all major building projects have robust plans and budgets which are monitored over the project life.
- Success of fundraising and alumni relations – investment in the Development Office to enable a comprehensive programme of activities and fundraising to take place.
- There is a risk that the government may introduce changes to the undergraduate tuition fees cap, following the recommendations of the Augar review of 2019 to reduce the cap to £7,500 (from the current £9,250), possibly applying to arts and humanities subjects only. The impact on College finances will vary depending on the details of how such a reduction in fees is shared between the University and the Colleges, and on whether tuition fee levels in the sciences remain the same, or additional funding is made available to support science courses

## **Pembroke College Corporate Governance and Public Benefit Statement (continued)**

### **Environmental policy**

In achieving excellence in teaching and research, Pembroke College manages its activities, buildings and estates to promote environmental sustainability, conserves and enhances natural resources and prevents environmental pollution to bring about a continual improvement in its environmental performance.

The College has an environmental policy statement which is reviewed regularly and endorsed by the Governing Body and is displayed in the College. The College has a Consultative Committee for Sustainability and the Environment which meets twice termly to discuss related issues.

### **Equal opportunities**

Many matters relating to recruitment and employment matters are covered in the Staff Handbook. The College is committed to the principle and practice of equal opportunities and aims to be an equal opportunities employer. The College's employment policy seeks to ensure that no job applicant or employee receives less favourable treatment on any grounds that are unjustified in terms of equality of opportunities for all.

### **Public benefit statement**

In accordance with its Founding Charter and Statutes, the College's charitable purpose is to advance education, religion, learning and research for the public benefit by the provision, support and maintenance of a College in the University of Cambridge. A full statement of the public benefit it provides has been lodged with the Charity Commission. It is summarised as follows:

#### **Education:**

- The provision, in conjunction with the University of Cambridge, of an education for some 763 undergraduate and postgraduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills and so prepares them to play full and effective roles in Society.
- The provision of teaching facilities and individual or small group supervisions, as well as pastoral, administrative and academic support through its tutorial systems.
- Social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

#### **Research:**

- The provision of Research Fellowships to outstanding academics at an early stage of their careers, enabling them to focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.
- Supporting the research work of its other Fellows by promoting interaction across disciplines, providing facilities and grants for conferences, research trips, and materials.
- Encouraging visits from outstanding academics from abroad.
- Encouraging the dissemination of research undertaken by members of the College through the publication of papers in academic journals or other suitable means.

The College also carries forward the tradition, continuous since its foundation, of being a place of spiritual and ethical reflection on the Christian faith and its implications for the individual and society. In particular, it maintains and supports a Chapel and holds services which are open to the general public and visitors. Through the College Dean of Chapel, it supports the emotional, mental and spiritual well-being of all members of the College whatever their faith tradition or none. It is also the Patron of 14 parishes and maintains its historic link with Pembroke House, in Walworth, South London, a Charity whose aims overlap with those of Pembroke College, working in an area of high deprivation.

The College maintains an extensive library, so providing a valuable resource for members of Pembroke, other Colleges, and the University of Cambridge more widely as well as external scholars and researchers and the public through regular exhibitions and the digitization of special collections materials.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research. However, beneficiaries include students and

## **Pembroke College Corporate Governance and Public Benefit Statement (continued)**

academic staff from other Colleges in Cambridge and from Cambridge University more widely, visiting academic staff from other higher education institutions and visiting school children who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend educational activities in the College such as exhibitions.

### **Development**

The College has a Development and Corporate Partnership team of around 12 FTE which includes permanent staff and student telephone fundraisers. This team provides support for all fundraising, alumni relations and corporate partnership activities of the College. A Development Committee consisting of Fellows oversees Development activities and meets twice a term. There is also a Campaign Board which includes up to 20, mainly external, members and meets once per term. The College uses an external organisation to assist with the annual telephone fundraising campaign. On a less formal basis, the College also has a number of Alumni Chapters around the world which helps to support and promote the College. In addition, the College will soon create a number of Campaign Ambassadors to assist with networking and develop prospects around the world. During the year, there were no complaints. Pembroke College subscribes to the Fundraising Regulator's Code of Fundraising Practice.

## **Pembroke College Responsibilities of the Governing Body**

The Governing Body is responsible for the administration and management of the College's affairs.

The Governing Body presents audited financial statements for each financial year. These are prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge and applicable United Kingdom Accounting Standards, including the Statement of Recommended Practice 'Accounting for Further and Higher Education Institutions', as interpreted by the University of Cambridge in their Recommended Cambridge College Accounts.

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

In causing the financial statements to be prepared, the Governing Body has sought to ensure that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governing Body is satisfied that the College has adequate resources to continue in operation for the foreseeable future. The financial statements are accordingly prepared on a going concern basis.

The Governing Body has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard the assets of the College and prevent and detect fraud.

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

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the College's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Pembroke College**

### **Independent auditors' report to the Governing Body of Pembroke College, Cambridge**

#### **Opinion**

We have audited the financial statements of Pembroke College (the 'College') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 30 June 2021 and of its 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 and the Statutes of the University of Cambridge.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Governing Body are responsible for the other information. The other information comprises the information included in the Operating and Financial Review other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Statutes of the University of Cambridge**

In our opinion based on the work undertaken in the course of the audit:

- The contribution due from the College to the University has been computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

## **Pembroke College**

### **Independent auditors' report to the Governing Body of Pembroke College, Cambridge**

#### **(continued)**

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified material misstatements in the Operating and Financial Review.

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

- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Governing Body**

As explained more fully in the responsibilities of the Governing Body statement set out on page 14, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with Trustees and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the College and how the College is complying with that framework;
- we obtained an understanding of the College's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the College. The Laws and regulations we considered in this context were Charities Act 2011, the Statutes of the University of Cambridge and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the College's and the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the College's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

**Pembroke College**  
**Independent auditors' report to the Governing Body of Pembroke College, Cambridge**  
**(continued)**

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and the College's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**Use of our report**

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

*Peters Elworthy & Moore*

**PETERS ELWORTHY & MOORE**  
Chartered Accountants and Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date: *25. November 2021.*

Peters Elworthy & Moore is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

## **Pembroke College Statement of Principal Accounting Policies**

### **1. Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Statutes of the College and of the University of Cambridge, using the Recommended Cambridge College Accounts (RCCA) format; and applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2019.

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 7.

The College is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

### **Going concern**

The global health crisis caused by COVID-19 has had a significant impact on all businesses. Virtually all College activities ceased as the majority of students returned home in March 2020 and then were materially affected in Lent Term 2021 when significant restrictions were in place. Students are expected to return to the College at the start of the new academic year in October 2021 therefore the majority of College activities will resume. However, it is unlikely that the function and International Programmes activity will be able to resume until September 2021, and summer programmes to return in July 2022.

The Trustees have prepared forecasts for the period to 2023 which have been stress tested based on a number of scenarios and have considered the impact upon the College and its cash resources and unrestricted reserves. The College has reviewed its cost base in order to combat the reduction in revenues and to extend financial headroom. The College has made use of the Government Job Retention Scheme. The College also has significant investments which could be realised if required.

Based upon their review the Trustees believe that the College will have sufficient resources to meet its liabilities as they fall due for the foreseeable future and therefore have continued to adopt the going concern basis in preparing the financial statements.

### **2. Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified in respect of the treatment of investments and operational property which are included at valuation.

### **3. Basis of consolidation**

The activities of student societies have not been consolidated on the basis that the College does not have control over the operation of the societies.

### **4. Recognition of income**

#### ***Donations and endowments***

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income. Income is retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the College.
3. Restricted expendable endowments – the donor has specified a particular objective and the College can convert the donated sum into income.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations with no restrictions are recorded within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

**Grant Income**

Grants received from non-government sources (including research grants from non-government sources) are recognised within the Statement of Comprehensive Income and Expenditure when the College is entitled to the income and performance related conditions have been met.

Income received in advance of performance related conditions is deferred on the balance sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

**Investment Income and change in value of investment assets**

Investment income and change in value of investment assets is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

**Total return**

The College calculated its income requirements (based on a percentage of the 4-year weighted average investment value) and that amount was transferred to investment income in the Statement of Comprehensive Income and Expenditure. The income is stated net of investment management and property fees. All returns from cash or property held in respect of operating assets are treated as income as received.

**Academic fees**

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors.

**Other income**

Income is received from a range of activities including accommodation, catering conferences and other services rendered.

**Cambridge Bursary Scheme**

In 2020-21, payment of the Cambridge Bursaries to eligible students was made directly by the Student Loans Company (SLC). As a consequence, the College reimbursed the SLC for the full amount paid to their eligible students and the College subsequently received a contribution from the University of Cambridge towards this payment.

The net payment of £168k is shown within the Statement of Comprehensive Income and Expenditure as follows:

Income (see note 1)	£132k
Expenditure	£300k

**5. Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates or, where there are forward foreign exchange contract, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

**6. Fixed assets**

**a) Land and buildings**

During 2018/19 the accounting policy for College land and buildings used for operational purposes changed. Following a review carried out by professional valuers Gerald Eve these land and buildings are now held at an updated depreciated replacement value. The valuation is reviewed annually with a full valuation at least every five years. Freehold buildings are depreciated on a straight-line basis over their expected useful economic lives with a range for the different buildings averaging between 30 to 55 years, where building structure is depreciated up to 150 years and fit-out/M&E services up to 40 years. Freehold land is shown separately and is not depreciated. Assets under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

When land and buildings are acquired with the aid of restricted bequests or donations, the policy for accounting for that income is described in accounting policy 4 above.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the College.

**b) Maintenance of buildings**

The cost of routine maintenance is charged to the Statement of Comprehensive Income and Expenditure as it is incurred.

**c) Furniture and equipment**

Furniture and equipment is not capitalised if an individual item costs less than £5k. Such expenditure is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Computer equipment/photocopiers	33% p.a. (3 years)
Boats	7% p.a. (15 years)
Heating systems	5% p.a. (20 years)
Other furniture and equipment	10% p.a. (10 years)

When furniture and equipment is acquired with the aid of specific bequests or donations, the policy for accounting for that income is described in accounting policy 4 above.

**d) Leased assets**

Leases in which the College assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance leases are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

## **Pembroke College Statement of Principal Accounting Policies (continued)**

### **e) Heritage assets**

The College holds and conserves a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance. Heritage assets acquired before 1<sup>st</sup> July 2003 or with a cost below £5k have not been capitalised since reliable estimates of cost or value are not available on a cost-benefit basis. Acquisitions since 1<sup>st</sup> July 2003 have been capitalised at cost or, in the case of donated assets, at expert valuation on receipt. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

### **7. Investments**

Non-current investment assets are included in the balance sheet at market value. Investments that are not listed on a recognised stock exchange (except estate properties) are carried at net asset value.

While College hostels and other properties treated as operational assets are re-valued as stated in 6a) above, other properties and agricultural land held for their investment value are treated and valued as investment assets. Such investment assets are valued annually, at least by desktop valuation, by a professional valuer (Bidwells and Cheffins) and revalued on the balance sheet accordingly. Every five years, a full valuation is carried out.

### **8. Stocks**

Stocks are stated at the lower of cost and net realisable value after making provision for slow moving and obsolete items.

### **9. Provisions**

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

### **10. Taxation**

The College is a registered charity (number 1137492) and also a charity within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the College is exempt from taxation in respect of income or capital gains received within the categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

### **11. Contribution under Statute G, II**

The College is liable to be assessed for Contribution under the provisions of Statute G,II of the University of Cambridge. Contribution is used to fund grants to colleges from the Colleges Fund. The College may from time to time be eligible for such grants. The liability for the year is as advised to the College by the University based on an assessable amount derived from the value of the College's assets as at the end of the previous financial year.

### **12. Pension schemes**

The College participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The College is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the College therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the College has entered into an

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the College recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income and Expenditure.

The College participates in the Cambridge Colleges Federated Pension Scheme (CCFPS), a defined benefit scheme which is externally funded and until 31 March 2016 was contracted out of the State Second Pension (S2P). As CCFPS is a federated scheme and the College is able to identify its share of the underlying assets and liabilities, the College values the fund as required by Section 28 Employee Benefits of FRS 102 'Retirement Benefits'. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the amount calculated under FRS102 guidelines.

The College operates a defined contribution pension scheme and the pension charge represents the amounts payable by the College to the fund in respect of the year.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

#### **13. Financial instruments**

The College has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of financial instruments. Financial assets and liabilities are recognised when the College becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **14. Financial assets**

Basic financial assets include trade and other receivables, cash and cash equivalents and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments, which are not subsidiaries or joint ventures, are initially measured at fair value which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments is not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment. Investments in property or other physical assets do not constitute a financial instrument and are not included.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of ownership are transferred to another party.

#### **15. Financial liabilities**

Basic financial liabilities include trade and other payables, bank loans and intergroup loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

## **Pembroke College**

### **Statement of Principal Accounting Policies (continued)**

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

To the extent that the College enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The College does not apply any hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

#### **16. Contingent liabilities and assets**

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events, not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the College a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College.

Contingent assets and liabilities are not recognised in the balance sheet but are disclosed in the notes.

#### **17. Employment benefits**

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the College. Any unused benefits are accrued and measured as the additional amount the College expects to pay as a result of the unused entitlement.

#### **18. Reserves**

Reserves are allocated between restricted and unrestricted reserves. Endowment reserves include balances which, in respect of endowment to the College, are held as permanent funds, which the College must hold to perpetuity.

Restricted reserves include balances in respect of which the donor has designated a specific purpose and therefore the College is restricted in the use of these funds.

#### **19. Critical accounting judgements**

The preparation of the College's accounts requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under

**Pembroke College**  
**Statement of Principal Accounting Policies (continued)**

the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities.

Income recognition – Judgement is applied in determining the value and timing of certain income items to be recognised in the accounts. This includes determining when performance related conditions have been met and determining the appropriate recognition timing for donations, bequests and legacies. In general, the later are recognised when at the probate stage.

Useful lives of property, plant and equipment – Property, plant and equipment represent a significant proportion of the College's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the College's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experiences with similar assets, professional advice and anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 8.

Investment property – Properties are revalued to their fair value at the reporting date by Cheffins. The valuation is based on the assumptions and judgements which are impacted by a variety of factors including market and other economic conditions. Only those residential properties deemed to be out- with the core housing stock of the College are included in investment property. This status is regularly reviewed.

Recoverability of debtors – The provision for doubtful debts is based on the College's estimate of the expected recoverability of those debts. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due

Retirement benefit obligations – The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 21.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the accounts.

As the College is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2028. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflation, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 21.

All other accounting judgements and estimates are detailed under the appropriate accounting policy.

**Pembroke College**  
**Statement of Comprehensive Income and Expenditure**  
**Year ended 30th June 2021**

	Note	2021			2020				
		Unrestricted £000	Restricted £000	Endowment £000	Total £000	Unrestricted £000	Restricted £000	Endowment £000	Total £000
<b>Income</b>									
Academic fees and charges	1	3,333	140	-	3,473	4,548	107	-	4,655
Accommodation, catering and conferences	2	2,474	0	-	2,474	6,069	9	-	6,078
Investment income	3a	17	138	1,536	1,691	182	202	1,918	2,302
Endowment return transferred	3a	1,546	1,870	(3,425)	(9)	1,553	1,881	(3,445)	(11)
Other income	3c	561	20	-	581	376	41	-	417
<b>Total income before donations and endowments</b>		<b>7,931</b>	<b>2,168</b>	<b>(1,889)</b>	<b>8,210</b>	<b>12,728</b>	<b>2,240</b>	<b>(1,527)</b>	<b>13,441</b>
Donations		689	775	-	1,464	855	755	-	1,610
New endowments		-	-	397	397	-	-	117	117
Other capital donations for Mill Lane project		-	13,125	-	13,125	-	2,421	-	2,421
<b>Total income</b>		<b>8,620</b>	<b>16,068</b>	<b>(1,492)</b>	<b>23,196</b>	<b>13,583</b>	<b>5,416</b>	<b>(1,410)</b>	<b>17,589</b>
<b>Expenditure</b>									
Education	4	5,275	2,328	-	7,603	5,281	2,335	-	7,616
Accommodation, catering and conferences	5	6,029	-	-	6,029	8,297	14	-	8,311
Other expenditure	7d	1,626	160	699	2,485	894	41	504	1,439
Contribution under Statute G,II		28	6	-	34	15	8	-	23
<b>Total expenditure</b>		<b>12,958</b>	<b>2,494</b>	<b>699</b>	<b>16,151</b>	<b>14,487</b>	<b>2,398</b>	<b>504</b>	<b>17,389</b>
<b>(Deficit)/surplus before other gains and losses</b>		<b>(4,338)</b>	<b>13,574</b>	<b>(2,191)</b>	<b>7,045</b>	<b>(904)</b>	<b>3,018</b>	<b>(1,914)</b>	<b>200</b>
Gain/(loss) on investments	3a	1,723	556	10,438	12,717	211	(85)	802	928
<b>(Deficit)/surplus for the year</b>		<b>(2,615)</b>	<b>14,130</b>	<b>8,247</b>	<b>19,762</b>	<b>(693)</b>	<b>2,933</b>	<b>(1,112)</b>	<b>1,128</b>
<b>Other comprehensive income</b>									
Actuarial profit/(loss) in respect of pension schemes	15	901	-	-	901	(40)	-	-	(40)
<b>Total comprehensive income for the year</b>		<b>(1,714)</b>	<b>14,130</b>	<b>8,247</b>	<b>20,663</b>	<b>(733)</b>	<b>2,933</b>	<b>(1,112)</b>	<b>1,088</b>

The notes on pages 29 to 41 form part of these accounts.

**Pembroke College**  
**Statement of Changes in Reserves**  
**Year ended 30th June 2021**

	Income and expenditure reserve				Total £000
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	
Balance at 1 July 2020	75,652	76,084	29,181	79,333	260,250
(Deficit)/surplus from Income and expenditure statement	(2,615)	-	14,130	8,247	19,762
Other comprehensive income	901	-	-	-	901
Release of restricted capital funds spent in the year	2,172	-	(2,172)	-	-
Transfer from endowment to unrestricted funds	-	-	-	-	-
<b>Balance at 30 June 2021</b>	<b>76,110</b>	<b>76,084</b>	<b>41,139</b>	<b>87,580</b>	<b>260,913</b>
			(note 17)	(note 16)	

	Income and expenditure reserve				Restated Total £000
	Unrestricted £000	Revaluation £000	Restricted £000	Endowment £000	
Balance at 1 July 2019	73,582	76,084	29,051	80,445	259,162
(Deficit)/surplus from income and expenditure statement	(693)	-	2,933	(1,112)	1,128
Other comprehensive income	(40)	-	-	-	(40)
Release of restricted capital funds spent in the year	2,529	-	(2,529)	-	-
Transfer from restricted to unrestricted funds	274	-	(274)	-	-
<b>Balance at 30 June 2020</b>	<b>75,652</b>	<b>76,084</b>	<b>29,181</b>	<b>79,333</b>	<b>260,250</b>
			(note 17)	(note 16)	

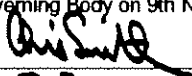
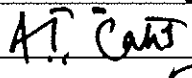
The notes on pages 29 to 41 form part of these accounts

**Pembroke College  
Balance Sheet  
as at 30th June 2021**

	Note	2021 £000	2020 £000
<b>Non-current assets</b>			
Fixed assets	8a	162,592	162,260
Heritage assets	8b	574	481
Investments	9	110,818	99,526
<b>Total non-current assets</b>		<b>273,984</b>	<b>262,267</b>
<b>Current assets</b>			
Stock	10	720	719
Trade and other receivables	11	7,746	2,515
Cash and cash equivalents	12	2,937	1,357
Short-term investments	13	25,072	19,068
<b>Total current assets</b>		<b>36,475</b>	<b>23,659</b>
<b>Creditors: amounts falling due within one year</b>	14a	(10,657)	(5,610)
<b>Net current assets</b>		<b>25,818</b>	<b>18,049</b>
<b>Total assets less current liabilities</b>		<b>299,802</b>	<b>280,316</b>
Creditors: amounts falling due after more than one year	14b	(14,556)	(14,695)
		285,246	265,621
<b>Provisions</b>			
Pension provisions	15	(4,333)	(5,371)
<b>Total net assets</b>		<b>280,913</b>	<b>260,250</b>
<b>Restricted reserves</b>			
Income and expenditure reserve - endowment reserve	16	87,580	79,333
Income and expenditure reserve - restricted reserve	17	41,139	29,181
		128,719	108,514
<b>Unrestricted reserves</b>			
Income and expenditure reserve - unrestricted reserve		76,110	75,652
Revaluation reserve		76,084	76,084
		152,194	151,736
<b>Total reserves</b>		<b>280,913</b>	<b>260,250</b>

The financial statements were approved by the Governing Body on 9th November 2021 and signed on its behalf by:

Approved by:

  
\_\_\_\_\_  
  
\_\_\_\_\_

Rt Hon Lord Smith of Finsbury (Master)

Dr. A. Cates (Treasurer and Bursar)

The notes on pages 29 to 41 form part of these accounts.

**Pembroke College  
Cash Flow Statement  
for the Year Ended 30th June 2021**

	Note	2021 £000	2020 £000
<b>Cash flows from operating activities</b>	21	(2,625)	(2,780)
<b>Cash flows from investing activities</b>	22	199	(703)
<b>Cash flows from financing activities</b>	23	(601)	(624)
<b>(Decrease) In cash and cash equivalents in the year</b>		<u>(3,027)</u>	<u>(4,107)</u>
Cash and cash equivalents at beginning of the year		(1,925)	2,182
<b>Cash and cash equivalents at end of the year</b>	24	<u>(4,952)</u>	<u>(1,925)</u>

The notes on pages 29 to 41 form part of these accounts.

**Pembroke College**  
**Notes to the accounts**  
**For the year ended 30th June 2021**

<b>1. Academic fees and charges</b>		<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
<b>College fees</b>			
	Fee income received at the Regulated Undergraduate rate	1,967	1,898
	Fee income received at the Unregulated Undergraduate rate	417	495
	Fee income received at the Postgraduate rate	847	768
	Fee income received at the International Programme rate	-	1,252
		<u>3,231</u>	<u>4,411</u>
	Other Income	110	140
	Cambridge Bursary Scheme	132	104
	<b>Total</b>	<u><b>3,473</b></u>	<u><b>4,855</b></u>
<b>2. Income from accommodation, catering and conferences income</b>		<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
	International Programmes	(1)	3,183
	Accommodation		
	College members	2,108	1,889
	Conferences	9	89
	Catering		
	College members	355	746
	Conferences	3	171
	<b>Total</b>	<u><b>2,474</b></u>	<u><b>6,078</b></u>
<b>3a. Endowment and investment income</b>		<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
Income from Investments and donations:			
	Income drawdown from endowment	3,416	3,437
	Freehold land and buildings	11	4
	Other interest receivable	(14)	4
	Private placement investment income	20	173
	Mill Lane investment income	138	189
		<u>3,571</u>	<u>3,817</u>
<b>Summary of total return:</b>			
Income from:			
	Land and buildings	492	598
	Quoted and other securities and cash	1,045	1,320
Gains on endowment assets:			
	Land and buildings	817	(118)
	Quoted and other securities and cash	10,177	835
Investment management costs in respect of:			
	Land and buildings	(320)	(177)
	Quoted and other securities and cash	(433)	(374)
	<b>Total return for the year</b>	<u>11,778</u>	<u>2,084</u>
	<b>Total return transferred to income and expenditure reserve (see above)</b>	<u>(3,425)</u>	<u>(3,445)</u>
	<b>Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (page 25)</b>	<u><b>8,353</b></u>	<u><b>(1,361)</b></u>
Gains on other assets:			
	Quoted and other securities and cash (page 25)	<u>1,723</u>	<u>211</u>
<b>3b. Investment management costs</b>		<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
	Quoted securities - equities	273	278
	Other investments	160	95
	<b>Total</b>	<u><b>433</b></u>	<u><b>374</b></u>
<b>3c. Other income</b>		<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
	Lease of operational buildings	-	0
	Income from sports facilities and equipment	16	13
	HMRC Job Retention Scheme grant	497	336
	Other income	68	68
	<b>Total</b>	<u><b>661</b></u>	<u><b>417</b></u>

All Job Retention Scheme grant income has been used for wages and salaries.

**Pembroke College**  
**Notes to the accounts**  
**For the year ended 30th June 2021**

4. Education expenditure	2021 £000	2020 £000
Teaching	1,423	1,365
Tutorial	1,488	1,282
Admissions and Access	853	892
Scholarships and awards	608	514
Other educational facilities	1,586	1,637
Academic community	687	760
	<u>6,625</u>	<u>6,450</u>
Research	978	1,166
	<u>7,603</u>	<u>7,616</u>

Total expenditure on student support during the year included above was £1.2m (2020 £1.1m).

5. Accommodation, catering and conferences expenditure	2021 £000	2020 £000
International Programmes	876	2,819
Accommodation	3,896	3,882
College Members		
Conferences	6	90
Catering	1,251	1,266
College Members		
Conferences	-	254
	<u>6,029</u>	<u>8,311</u>

**6. Staff costs**

Staff costs	Academic 2021 £000	Non-academic 2021 £000	Total 2021 £000	Total 2020 £000
Salaries	1,776	4,254	6,030	7,042
National Insurance	155	356	511	582
Other pension costs (see note 20 (d) )	290	731	1,021	1,061
USS pension adjustment	-	(163)	(163)	(1,074)
	<u>2,221</u>	<u>5,178</u>	<u>7,399</u>	<u>7,611</u>
<b>Average staff no.s (full time equivalent)</b>	<b>2021 Number of Follows</b>	<b>2021 Full-time equivalents</b>	<b>2020 Number of Follows</b>	<b>2020 Full-time equivalents</b>
Academic	70	2	74	4
Non-academic	5	152	5	181
	<u>75</u>	<u>154</u>	<u>79</u>	<u>185</u>

The number of officers and employees of the College, including the Head of House, who received remuneration in the following ranges was:

	2021	2020
£110,000 - £119,999	1	1

Remuneration includes salary, employer's national insurance contributions, employer's pension contributions plus any taxable benefits either paid, payable or provided, gross of any salary sacrifice arrangements.

Of the 75 (2020 79) College Fellows and Trustees declared above who are members of the Governing Body, all 75 (2020 79) receive remuneration. The trustees receive no emoluments in their role as trustees of the charity.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. This includes aggregated remuneration paid to key management personnel.

During the year, remuneration paid to Trustees in their capacity as Key Management Personnel were:

	2021 £000	2020 £000
Aggregate remuneration	<u>1,796</u>	<u>2,037</u>

**Pembroke College**  
**Notes to the accounts**  
**For the year ended 30th June 2021**

**7a. Analysis of expenditure by activity 2020/21**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2021 £000
Education (Note 4)	4,090	2,952	571	7,603
Accommodation, catering, and conferences (Note 5)	2,587	1,942	1,500	6,029
Other expenditure (Note 7d)	732	1,610	143	2,485
Contribution under Statute G,II	-	34	-	34
	<b>7,399</b>	<b>6,538</b>	<b>2,214</b>	<b>16,151</b>

Loan interest payable for the year to 30th June 2021 was £482k.  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £210k.

**7b. Analysis of expenditure by activity 2019/20**

	Staff & Fellows payroll costs (note 6) £000	Other operating expenses £000	Depreciation £000	Total 2020 £000
Education (Note 4)	4,173	3,014	429	7,616
Accommodation, catering, and conferences (Note 5)	3,542	3,164	1,605	8,311
Other expenditure (Note 7d)	(104)	1,420	123	1,439
Contribution under Statute G,II	-	23	-	23
	<b>7,611</b>	<b>7,621</b>	<b>2,157</b>	<b>17,389</b>

Loan interest payable for the year to 30th June 2020 was £512k.  
Other expenditure includes governance, investment management fees, fundraising and alumni relations expenditure.  
Fundraising costs were £253k.

**7c. Auditors' remuneration**

	2021 £000	2020 £000
Audit fees payable to the College's external auditors	21	19
Other fees payable to the College's external auditors	3	4
	<b>24</b>	<b>23</b>

**7d. Other expenditure**

	2021 £000	2020 £000
Universities Superannuation Scheme - pension provision	(163)	(1,074)
Interest charges	482	512
Investment management fees	899	504
Other expenditure	1,467	1,497
	<b>2,485</b>	<b>1,439</b>

**8a. Fixed assets**

	College site Buildings £000	Assets in Course of Construction £000	College site Foundress Court £000	Houses for College Members £000	Sportsground/Boathouse £000	Land £000	Furniture & Equipment £000	Total 2021 £000
<b>Cost/valuation</b>								
At 1 July 2020	61,352	12,182	14,964	19,391	820	55,990	3,528	168,227
Additions	38	2,946	-	121	-	-	226	3,331
Disposals	-	-	-	-	-	-	(26)	(26)
Transfer to investments	4,500	(5,258)	-	-	-	-	-	(758)
Cost/valuation as at 30 June 2021	<b>65,890</b>	<b>9,870</b>	<b>14,964</b>	<b>19,512</b>	<b>820</b>	<b>55,990</b>	<b>3,728</b>	<b>170,774</b>
<b>Depreciation</b>								
At 1 July 2020	2,457	-	610	756	52	-	2,092	5,967
Provided for the year	1,320	-	305	379	27	-	184	2,215
Disposals	-	-	-	-	-	-	-	-
Depreciation at 30 June 2021	<b>3,777</b>	<b>-</b>	<b>915</b>	<b>1,135</b>	<b>79</b>	<b>-</b>	<b>2,276</b>	<b>8,182</b>
<b>Net book value</b>								
At 30 June 2021	<b>62,113</b>	<b>9,870</b>	<b>14,049</b>	<b>18,377</b>	<b>741</b>	<b>55,990</b>	<b>1,452</b>	<b>162,592</b>
At 30 June 2020	<b>58,896</b>	<b>12,182</b>	<b>14,355</b>	<b>18,634</b>	<b>768</b>	<b>55,990</b>	<b>1,437</b>	<b>162,260</b>

The insured value of freehold land and buildings as at 30 June 2021 was £191m (2020 £163m). All of the above assets are used for Collegiate purposes.

**Pembroke College**  
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**8b. Heritage assets**

The College holds and conserves certain collections, artefacts and other assets of historical, artistic or scientific importance.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 July 2003 have been capitalised. However, the majority of assets held in the College's collections were acquired prior to this date. As reliable estimates of cost or valuation are not available for those on a cost-benefit basis, they have not been capitalised. As a result, the total cost included in the balance sheet is partial.

Amounts for the current and previous four years were as follows:

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
<b>Total value 1st July</b>	481	206	136	136	103
Acquisitions purchased with specific donations	-	275	-	-	13
Acquisitions purchased with College funds	13	-	-	-	20
Total cost of acquisitions purchased	13	275	-	-	33
Value of acquisitions by donation	80	-	70	-	-
<b>Total acquisitions capitalised in year</b>	<b>93</b>	<b>275</b>	<b>70</b>	<b>-</b>	<b>33</b>
<b>Total value 30th June</b>	<b>574</b>	<b>481</b>	<b>206</b>	<b>136</b>	<b>136</b>

**9. Investments**

	2021 £000	2020 £000
Balance at 1 July	99,526	99,495
Additions	12,063	7,543
Disposals	(8,676)	(11,987)
Transfer from fixed assets	758	-
Gain	12,271	405
(Decrease)/increase in cash held by investment managers	(5,093)	4,075
Less: change in amount owed to Pembroke House	(31)	(5)
Balance at 30 June	<b>110,818</b>	<b>99,526</b>
General investments	97,165	87,996
Private placement investments	13,653	11,530
Balance at 30 June	<b>110,818</b>	<b>99,526</b>

Long-term investments:

	2021 £000	2020 £000
Commercial shops	2,550	2,510
Agricultural land	9,501	9,485
Residential property	19,075	17,555
Total investment properties	31,126	29,550
Equities	62,793	50,763
Other investments	10,403	7,503
Cash in hand and at investment managers	5,958	11,051
Loans to Fellows	791	882
Less: amount owed to Pembroke House	(253)	(223)
	<b>110,818</b>	<b>99,526</b>

**10. Stock**

	2021 £000	2020 £000
Kitchen	21	21
Cellar wine	693	691
Bar	2	3
Porters' Lodge	4	4
	<b>720</b>	<b>719</b>

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11. Trade and other receivables	2021 £000	2020 £000
Trade debtors	14	39
Members of the College	219	65
Debtors and prepayments - International Programmes	50	72
Debtors and prepayments - Other	7,463	2,339
Trade and other receivables due within one year	<u>7,746</u>	<u>2,515</u>

12. Cash and cash equivalents	2021 £000	2020 £000
Current accounts	-	-
Bank deposits	2,937	1,354
Cash	0	3
Less: amount owed to Pembroke House	(0)	(0)
	<u>2,937</u>	<u>1,357</u>

13. Short-term investments	2021 £000	2020 £000
Mill Lane deposits	25,072	19,068
	<u>25,072</u>	<u>19,068</u>

14a. Creditors: amounts falling due within one year	2021 £000	2020 £000
Bank overdrafts (see note below)	7,889	3,282
Bank loan	127	116
Trade creditors	363	518
Members of the College	838	848
Accruals and deferred income - International Programmes	298	157
Accruals and deferred income - Other	869	368
University fees	2	12
Contribution to Colleges Fund	34	23
Taxes and social security	117	143
Holiday pay accrual	85	119
Other creditors	35	24
	<u>10,857</u>	<u>5,810</u>

Note: The overdraft represents an "internal" borrowing of £7.9m less bank deposits (note 12) of £3m, so net £4.9m. This is due to (a) no advance IP summer income of c £2.5m and (b) an operating deficit for the year of £2.3m (before depreciation).

14b. Creditors: amounts falling due after more than one year	2021 £000	2020 £000
Bank loan	1,303	1,434
Members of the College	353	361
Other loans	12,900	12,900
	<u>14,556</u>	<u>14,695</u>

The original unsecured bank loan was for £2.3 million repayable over 20 years, at a floating rate of interest for the two years until 30 January 2012 and a fixed rate of 6.21% p.a. thereafter.

During 2013-14, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £2.9 million. The loans are unsecured and repayable during the period 2043-2053, and are at fixed interest rates of approximately 4.4%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

During 2017-18, the College borrowed from institutional investors, collectively with other Colleges, with the College's share amounting to £10 million. The loans are unsecured and repayable during 2058, and are at a fixed interest rate of 2.62%. The College has agreed a financial covenant of the ratio of Borrowings to Net Assets, and has been in compliance with the covenant at all times since incurring the debt.

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**15. Pension provisions**

	CCFPS £000	USS £000	2021 £000	2020 £000
<b>(Deficit) In schemes in beginning of the year</b>	(4,180)	(1,191)	(5,371)	(6,333)
Movement in year:				
Recognised in income and expenditure	(282)	146	(136)	779
Contributions paid by the College	273	-	273	223
Actuarial (loss)/profit recognised in the Statement of Comprehensive Income and Expenditure	901	-	901	(40)
<b>(Deficit) In schemes at end of the year</b>	<u>(3,288)</u> note 20b	<u>(1,045)</u> note 20a	<u>(4,333)</u>	<u>(5,371)</u>

**16. Endowment funds**

	Restricted Permanent £000	Unrestricted Permanent £000	2021 £000 £000	2020 £000 £000
<b>Balance at beginning of year:</b>				
Capital	39,706	39,627	79,333	80,445
	<u>39,706</u>	<u>39,627</u>	<u>79,333</u>	<u>80,445</u>
New donations and endowments	346	51	397	117
Increase in market value of investments	4,075	3,775	7,850	(1,229)
<b>Balance at end of year (page 26)</b>	<u>44,127</u>	<u>43,453</u>	<u>87,580</u>	<u>79,333</u>
<b>Representing:</b>				
Fellowship Funds	12,336	-	12,336	11,229
Scholarship Funds	6,509	-	6,509	5,886
Prize Funds	1,011	-	1,011	914
Bursary/Hardship Funds	5,223	1,298	6,521	5,782
Travel Grant Funds	1,740	-	1,740	1,571
Graduate Funds	8,655	-	8,655	7,639
Other Funds	8,653	-	8,653	7,856
General endowments	-	42,155	42,155	38,456
<b>Total</b>	<u>44,127</u>	<u>43,453</u>	<u>87,580</u>	<u>79,333</u>
<b>Analysis by asset:</b>				
Property	12,394	12,205	24,599	23,555
Investments	29,361	28,912	58,273	46,970
Cash	2,372	2,336	4,708	8,808
	<u>44,127</u>	<u>43,453</u>	<u>87,580</u>	<u>79,333</u>

**Pembroke College**  
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**17. Restricted reserves**

	Capital grants unspent £000	Unspent Permanent £000	Restricted Expendable £000	2021 Total £000	2020 Total £000
<b>Balance at beginning of year:</b>					
Capital	-	-	5,243	5,243	5,501
Accumulated income	20,467	2,813	658	23,938	23,550
	<u>20,467</u>	<u>2,813</u>	<u>5,901</u>	<u>29,181</u>	<u>29,051</u>
Transfers between funds in year	-	-	-	-	(274)
Increase in market value of investments	-	-	556	556	(85)
Capital grants	13,124	-	-	13,124	2,421
Donations	-	143	832	775	756
Endowment return transferred	-	1,651	220	1,871	1,881
Other investment income	138	124	35	297	358
Expenditure	(75)	(1,751)	(867)	(2,493)	(2,398)
Capital grants utilised	(2,172)	-	-	(2,172)	(2,529)
Movement in the year	<u>11,015</u>	<u>167</u>	<u>776</u>	<u>11,958</u>	<u>130</u>
<b>Balance at end of year</b>	<u><b>31,482</b></u>	<u><b>2,980</b></u>	<u><b>6,677</b></u>	<u><b>41,139</b></u>	<u><b>29,181</b></u>
<b>Balance at end of year:</b>					
Capital	-	-	6,055	6,055	5,243
Accumulated income	31,482	2,980	622	35,084	23,938
	<u>31,482</u>	<u>2,980</u>	<u>6,677</u>	<u>41,139</u>	<u>29,181</u>
<b>Representing:</b>					
Fellowship Funds	-	644	2,348	2,992	2,592
Scholarship Funds	-	684	286	970	885
Prize Funds	-	88	-	88	88
Bursary/Hardship Funds	-	594	791	1,385	1,305
Travel Grant Funds	-	186	12	198	157
Graduate Funds	-	385	841	1,226	1,169
Other Funds	31,482	399	2,399	34,280	22,985
<b>Total</b>	<u><b>31,482</b></u>	<u><b>2,980</b></u>	<u><b>6,677</b></u>	<u><b>41,139</b></u>	<u><b>29,181</b></u>

**18. Memorandum of unapplied total return**

	2021 £000	2020 £000
Included within reserves the following amounts represent the unapplied total return of the College:		
Unapplied total return at the beginning of the year	40,036	41,397
Unapplied total return for the year (see note 3a)	8,353	(1,361)
<b>Unapplied total return at end of year</b>	<u><b>48,389</b></u>	<u><b>40,036</b></u>

**19. Capital commitments**

	2021 £000	2020 £000
Capital commitments contracted for at 30th June	<u>15,903</u>	<u>191</u>

**Other commitments**

The College has committed to invest in various private equity/venture capital funds over the next few years. Commitments, excluding distributions which may be made total \$290k (c £210k). This includes a commitment to invest in the Cambridge Associates Fund II up to a total \$1m.

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**20. Pension schemes**

**(a) Universities Superannuation Scheme**

As at the 30 June 2021, the latest available complete actuarial valuation of the Retirement Income Builder was at 31 March 2018 (the valuation date), which was carried out using the projected unit method. Since the year end the valuation as at 31 March 2020 was signed and filed with The Pensions Regulator with an effective date of 1 October 2021. As the new valuation was not in place at the financial year end, any adjustment in the deficit provision will be reflected in the financial statements for the year ended 30 June 2022. Since the College cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The total cost charged to the Statement of Comprehensive Income and Expenditure is £146k (2020 £(406k)) as shown in note 20d.

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	<b>2018 valuation</b>
	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.78%	1.45%
Pensionable salary growth	3.20%	2.70%

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**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme**

The College operates a defined benefit pension plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme. The liabilities of the plan have been calculated, at 30 June 2021, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	30 June 2021	30 June 2020
Discount rate	1.80%	1.45%
Increase in salaries	3.10%	2.70%
RPI assumption	3.40%	3.10%
CPI assumption	2.60%	2.20%
Pension increases in payment (RPI Max 5% p.a.)	3.30%	3.00%
Pension increases in payment (CPI Max 2.5% p.a.)	1.95%	1.80%

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI\_2020 future improvement factors and a long-term rate of future improvement of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements (2020: S3PA with CMI\_2019 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 24.3 years (previously 24.2 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.7 years (previously 25.8 years).

Members are assumed to retire at their normal retirement age (65) apart from in the following indicated cases:

	Male	Female
Active members - Option 1 benefits	64	64
Deferred members - Option 1 benefits	63	62

Allowance has been made at retirement for non-retired members to commute part of their pension for a lump sum on the basis of the current commutation factors in their calculations.

**Employee Benefit Obligations**

The amounts recognised in the balance sheet as at 30 June 2021 (with comparative figures as at 30 June 2020) are as follows.

	2021 £000	2020 £000
Total market value of assets	10,449	9,721
Present value of scheme liabilities	(13,737)	(13,901)
<b>Net pension liability</b>	<b>(3,288)</b>	<b>(4,180)</b>

The amounts to be recognised in the Statement of Comprehensive Income and Expenditure for the year ended 30 June 2021 (with comparative figures for the year ended 30 June 2020) are as follows:

	2021 £000	2020 £000
Current service cost	207	188
Administration expenses	15	15
Interest on net defined benefit liability	61	93
Loss on plan changes	-	-
<b>Total</b>	<b>283</b>	<b>296</b>

Changes in the present value of the Scheme liabilities for the year ending 30 June 2021 (with comparative figures for the year ended 30 June 2020) are as follows:

	2021 £000	2020 £000
Present value of plan liabilities at beginning of period	13,901	13,154
Current service cost	207	188
Employee contributions	8	9
Benefits paid	(298)	(313)
Interest on plan liabilities	201	295
Actuarial (profits)/losses	(283)	568
Loss on plan changes	-	-
<b>Present value of plan liabilities at end of period</b>	<b>13,738</b>	<b>13,901</b>

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**20. Pension schemes**

**(b) Cambridge Colleges Federated Pension Scheme (continued)**

Changes in the fair value of the plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Market value of plan assets at beginning of period	9,721	9,036
Contributions paid by the College	274	273
Employee contributions	8	9
Benefits paid	(298)	(313)
Administration expenses	(26)	(25)
Interest on plan assets	140	202
Return on assets, less interest included in Comprehensive Income and Expenditure	629	539
<b>Market value of plan assets at end of period</b>	<b>10,448</b>	<b>9,721</b>
<b>Actual return on plan assets</b>	<b>769</b>	<b>741</b>

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2021 (with comparative figures for the year ended 30 June 2020) are as follows:

	2021 £000	2020 £000
Equities	48%	49%
Bonds and cash	42%	41%
Property	10%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>

The plan has no investments in property occupied by, assets used by or financial instruments issued by the College.

Analysis of the remeasurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £000	2020 £000
Return on assets, less interest included in Comprehensive Income and Expenditure	629	539
Expected less actual plan expenses	(11)	(10)
Experience gains and losses arising on plan liabilities	135	496
Changes in assumptions underlying the present value of plan liabilities	148	(1,065)
<b>Actuarial gain/(loss) recognised in OCI (page 25)</b>	<b>901</b>	<b>(40)</b>

Movement in (deficit) during the 12 months ending 30 June 2021 (with comparative figures for the year ended 30 June 2020) are as follows:

	2021 £000	2020 £000
(Deficit) in plan at beginning of year	(4,181)	(4,118)
Recognised in Statement of Comprehensive Income and Expenditure	(282)	(296)
Contributions paid by the College	274	273
Actuarial gain/(loss) recognised in OCI	901	(40)
<b>(Deficit) in plan at the end of the year</b>	<b>(3,288)</b>	<b>(4,181)</b>

**Funding Policy**

Actuarial valuations are carried out every three years on behalf of the Management Committee, acting as the Trustee of the Scheme, by a qualified independent actuary. The actuarial assumptions underlying the actuarial valuation are different to those adopted under FRS102. The last such valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions are incorporated into the plan's Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £120,220 p.a. payable for the period from 1 July 2021 to 31 March 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2023.

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**20. Pension schemes**

**(c) NOW:Pensions scheme**

The College operates a defined contribution scheme in respect of certain employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the College amounting to £179k (2020 £165k) of which £22k (2020 £23k) was outstanding at the year end. It should be noted that most of the outstanding contributions have been collected by NOW since the 30th June 2021.

**(d) Summary of pension costs**

	2021 £000	2020 £000
Universities Superannuation Scheme	624	668
Universities Superannuation Scheme - pension provision	(163)	(1,074)
Cambridge Colleges Federated Pension Scheme	212	223
NOW:Pension Scheme	179	165
Death in service	6	5
<b>Total pension costs (note 6)</b>	<b>858</b>	<b>(13)</b>

**21. Reconciliation of surplus for the year to cash flows from operating activities**

	2021 £000	2020 £000
Surplus for the year	19,762	1,128
<b>Adjustment for non-cash items:</b>		
Depreciation (note 8)	2,215	2,157
(Gain) on endowments, donations and investment property	(12,717)	(928)
(Increase) in stocks	(1)	(3)
(Increase) in trade and other receivables	(5,231)	(816)
(Increase)/decrease in short-term investments	(8,004)	1,311
Increase/(decrease) in creditors	420	(3,271)
Pension costs less contributions payable	(137)	(1,002)
<b>Adjustment for investing or financing activities</b>		
Investment income	(1,691)	(2,302)
Investment costs	754	551
Interest payable	482	512
Endowment funds invested	(397)	(117)
Gift of heritage asset	(80)	-
<b>Total cash flows from operating activities</b>	<b>(2,825)</b>	<b>(2,780)</b>

**22. Cash flows from investing activities**

	2021 £000	2020 £000
Non-current investment disposal	3,425	3,445
Investment income	156	383
Endowment funds invested	397	117
Payments made to acquire non-current assets	(3,779)	(4,648)
<b>Total cash flows from investing activities</b>	<b>199</b>	<b>(703)</b>

**23. Cash flows from financing activities**

	2021 £000	2020 £000
Interest paid	(482)	(512)
Repayments of amounts borrowed	(119)	(112)
<b>Total cash flows from financing activities</b>	<b>(601)</b>	<b>(624)</b>

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**24. Analysis of cash and cash equivalents**

	At beginning of year £000	Cashflows £000	At end of year £000
Bank overdrafts	(3,282)	(4,607)	(7,889)
Cash at bank and in hand	1,357	1,580	2,937
<b>Net Funds (page 28)</b>	<b>(1,925)</b>	<b>(3,027)</b>	<b>(4,952)</b>

**25. Lease obligations**

At 30 June 2021 the College had commitments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Land and buildings:		
Expiring within one year	301	301
Expiring between two and five years	452	753
Expiring in over five years	-	-

**26. Reconciliation and analysis of net debt**

	At 1 July 2020 £000	Cashflows £000	New finance leases £001	Other non- cash changes £000	At 30 June 2021 £000
<b>Cash and cash equivalents</b>	1,357	1,580	-	-	2,937
<b>Borrowings:</b>					
<b>Amounts falling due within one year:</b>					
Bank overdraft	(3,282)	(4,607)	-	-	(7,889)
Unsecured loans	(116)	(11)	-	-	(127)
	(3,398)	(4,618)	-	-	(8,016)
<b>Borrowings:</b>					
<b>Amounts falling due after more than one year:</b>					
Unsecured loans	(14,334)	131	-	-	(14,203)
	(14,334)	131	-	-	(14,203)
<b>Total net debt</b>	<b>(16,375)</b>	<b>(2,907)</b>	<b>-</b>	<b>-</b>	<b>(19,282)</b>

**27. Financial instruments**

	2021 £000	2020 £000
<b>Financial assets</b>		
<i>Financial assets at fair value through Statement of Comprehensive Income</i>		
Listed equity investments (note 9)	62,540	50,540
Other investments (note 9)	10,403	7,503
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Other investments (note 9)	791	882
Cash and cash equivalents (note 9, 12, 13)	33,966	31,476
Other debtors (note 11)	326	327
<b>Financial liabilities</b>		
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft (note 14a)	7,889	3,282
Loans (notes 14a, 14b)	14,330	14,450
Trade creditors (note 14a)	363	518
Other creditors (notes 14a, 14b)	1,368	1,411

**Pembroke College**  
**Notes to the accounts**  
**For the year ended 30th June 2021**

**28. Related party transactions**

Owing to the nature of the College's operations and the composition of the College Council (or equivalent), it is inevitable that transactions will take place with organisations in which a College Council member may have an interest. All transactions involving organisations in which a member of the College Council may have an interest are conducted at arm's length and in accordance with the College's normal procedures.

The College maintains a register of interests for all College Council members and where any member of the College Council has a material interest in a College matter they are required to declare that fact.

During the current and preceding year no fees or expenses were paid to Fellows in respect of their duties as Trustees.

Fellows are remunerated for teaching, research and other duties within the College as permitted by the Statutes. Fellows are billed for any private catering. The Trustees remuneration is overseen by the Stipends Committee

In addition, the College has provided loans to its Fellows for personal use, and also as part of equity share arrangements. The following amounts are included in Investments in note 9:

	2021 £000	2020 £000
<b>Loans to Fellows</b>	791	882

The salaries paid to Trustees in the year are summarised in the table below:

From	To	2021 Number	2020 Number
£0	£10,000	44	49
£10,001	£20,000	12	10
£20,001	£30,000	6	10
£30,001	£40,000	0	1
£40,001	£50,000	0	0
£50,001	£60,000	5	5
£60,001	£70,000	2	2
£70,001	£80,000	1	0
£80,001	£90,000	2	2
£90,001	£100,000	2	2
£100,001	£110,000	0	0
£110,001	£120,000	1	1
	<b>Total</b>	<b>75</b>	<b>82</b>

The total Trustee salaries were £1,420k for the year (2020 £1,535k).

The trustees were also paid other taxable benefits (including associated employer National Insurance contributions and employer contributions to pensions) which totalled £700k for the year (2020 £807k).

**29. Post balance sheet event**

Since the year end, following the completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed in respect of the USS pension scheme. A new Schedule of Contributions based on the 2020 actuarial valuation has been agreed, and become effective, post year end. This results in an increase of £1.8m in the provision for the obligation to fund the deficit on the USS pension which would instead be £2.9m. As the Schedule of Contributions was not in place at the financial year end this adjustment will be reflected in the Financial Statements for the year ended 30 June 2022. If the Joint Negotiating Committee (JNC) recommended deed on benefit changes has not been executed by 28 February 2022 then a different schedule of contributions would become applicable. If this were to happen then there would be an increase of £3.5m in the provision for the obligation to fund the deficit on the USS pension which would instead be £4.6m.