

Pembroke College

Financial Statements

Year ended 31 July 2006

The accounts' index (if any), Responsibilities of the Governing Body, Statement of Principal Accounting Policies and Independent Auditors' Report have been omitted from this 150 dpi Akme scan.

PEMBROKE COLLEGE
Report of the Governing Body

The Governing Body of Pembroke College presents the annual report and financial statements for the year ended 31 July 2006.

Status

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

Objects

The College exists to provide and promote undergraduate and graduate education within the University of Oxford, and also to provide and promote university academic research. Within these objects, the College also has various permanently endowed trust funds held for special purposes in connection with the support of Fellowships, the development of College facilities and for scholarships, bursaries, prizes and other educational purposes.

Governance

The Governing Body of the College comprises the Master and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Chancellor of the University of Oxford. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1624, and the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Master and is advised by a range of committees which include the Finance and General Purposes Committee, the Academic and Domestic Management Committees and the Investment Committee.

Scope of the financial statements

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

Review of operations and finance

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

The Income and Expenditure account shows a surplus of £198,685 (2005 - £205,568)

Income at £5,181,249 (2005 - £5,001,986) benefits from the College's efforts to raise income from external sources by way of Conference and other activities.

Expenditure has been carefully managed. Work has been undertaken completing the renovation of Staircase 8 and the renovation of Staircase 16 was started and completed during the year. The cost of these renovations is reflected in both capital and revenue expenditure. The work has been funded from donations and surpluses generated by operations. At 31 July 2006 deferred capital raised for building projects amounted to £2,345,661 before release of any deferred capital to the income and expenditure account.

The renovations to these staircases are part of a series of building projects that the College will undertake in the short to medium term, in order to bring the fabric of the College up to the required standard.

The Total Funds of the College have risen from £35,900,816 to £40,398,909 as a result of donations, growth in the endowment and the operating surplus.

PEMBROKE COLLEGE
Report of the Governing Body

Investment performance

Investments are principally managed by the College's Fund Managers Merrill Lynch, reporting to the Investment Committee, and the performance of the funds has been satisfactory given market conditions. Cash reserves are deposited with the University deposit pool.

Reserves and funds

The balance on consolidated General Reserves at the year end amounted to £6,056,617. The Governing Body considers that a general reserve of £4 million should be maintained in future years to allow the College to be managed efficiently and to provide a buffer for uninterrupted services.

Risk management

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

Approved by the Governing Body on 1 November 2006

G I Henderson - Master

PEMBROKE COLLEGE
 Consolidated Income and Expenditure Account
 Year ended 31 July 2006

	Notes	2006 £	2005 £
INCOME			
Academic fees and tuition income	1	2,200,613	2,295,778
Research grants and contracts	2	21,498	68,000
Other operating income	3	2,488,928	2,210,891
Endowment return and interest receivable	4	470,210	427,317
Total income		<u>5,181,249</u>	<u>5,001,986</u>
EXPENDITURE			
Staff costs	5	2,791,791	2,704,027
Depreciation		300,873	212,424
Other operating expenses		1,839,829	1,867,437
Interest payable		7,200	6,000
Contribution under Statute XV		11,950	6,530
Exchange difference		30,921	-
Total expenditure	7	<u>4,982,564</u>	<u>4,796,418</u>
Surplus for the year on continuing operations before taxation		198,685	205,568
Surplus on disposal of fixed assets		-	-
Taxation	8	-	-
Surplus for the year after taxation	9	<u>198,685</u>	<u>205,568</u>

Consolidated statement of total recognised gains and losses
 Year ended 31 July 2006

	Notes	2006 £	2005 £
Reserves			
Surplus for the year	19	198,685	205,568
Endowments			
Income receivable from endowment asset investments	18	833,243	739,712
Endowment return transferred to income and expenditure account	18	(470,210)	(427,317)
Appreciation of endowment asset investments	18	2,137,667	3,504,809
Transfer to deferred capital	18	(1,218,033)	-
New endowments received	18	1,764,633	1,936,690
Other			
Net additions to deferred capital	17	1,274,687	702,989
Total recognised gains relating to the year		<u>4,520,672</u>	<u>6,661,451</u>
Opening fund balances		35,921,237	29,259,786
Closing fund balances		<u>40,441,909</u>	<u>35,921,237</u>

PEMBROKE COLLEGE
Balance Sheet
As at 31 July 2006

		CONSOLIDATED	CONSOLIDATED	COLLEGE	COLLEGE
	Notes	2006	2005	2006	2005
		£	£	£	£
Fixed assets					
Tangible assets	10	8,903,506	6,938,843	8,903,506	6,338,843
Investments	11	-	-	1	1
		<u>8,903,506</u>	<u>6,938,843</u>	<u>8,903,507</u>	<u>6,338,844</u>
Endowment asset investments					
Securities and cash deposits		31,408,457	28,361,157	31,408,457	28,361,157
Land and property		725,000	725,000	725,000	725,000
	12	<u>32,133,457</u>	<u>29,086,157</u>	<u>32,133,457</u>	<u>29,086,157</u>
Current assets:					
Stocks		31,756	39,661	31,756	39,661
Debtors	13	918,926	589,878	865,697	746,104
Cash at bank and in hand		1,849	565,358	1,849	365,275
		<u>952,532</u>	<u>1,194,897</u>	<u>899,302</u>	<u>1,151,040</u>
Creditors:					
Amounts falling due within one year	14	(1,042,733)	(746,915)	(1,032,504)	(723,490)
Net current assets		<u>(90,201)</u>	<u>447,982</u>	<u>(133,202)</u>	<u>427,560</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,946,762</u>	<u>36,472,982</u>	<u>40,903,762</u>	<u>36,452,561</u>
Creditors:					
Amounts falling due after more than one year	15	(349,361)	(387,477)	(349,361)	(387,477)
Provision for liabilities and charges	16	(155,492)	(164,268)	(155,492)	(164,268)
TOTAL NET ASSETS		<u>40,441,909</u>	<u>35,921,237</u>	<u>40,398,909</u>	<u>35,900,816</u>
Deferred capital	17	2,251,835	977,148	2,251,835	977,148
Endowments					
Specific		17,987,288	15,964,640	17,987,288	15,964,640
General		14,146,169	13,121,517	14,146,169	13,121,517
	18	<u>32,133,457</u>	<u>29,086,157</u>	<u>32,133,457</u>	<u>29,086,157</u>
Reserves					
Designated reserves	19	-	-	-	-
General reserves	19	6,056,617	5,857,932	6,013,617	5,837,511
		<u>6,056,617</u>	<u>5,857,932</u>	<u>6,013,617</u>	<u>5,837,511</u>
TOTAL FUNDS		<u>40,441,909</u>	<u>35,921,237</u>	<u>40,398,909</u>	<u>35,900,816</u>

The financial statements were approved by the Governing Body of Pembroke College on 1.11.06

G I Henderson
Master

J E Church
Bursar

PEMBROKE COLLEGE
Consolidated Cashflow Statement
Year ended 31 July 2006

	Note	2006 £	2005 £
Net cash (outflow)/inflow from operating activities	24	<u>(106,695)</u>	<u>13,517</u>
Returns on investments and servicing of finance			
Income from endowments received		833,243	739,712
Other income from investments and interest received		<u>833,243</u>	<u>739,712</u>
Net cash inflow from returns on investments and servicing of finance		<u>833,243</u>	<u>739,712</u>
Capital expenditure and financial investment			
Net (acquisition) of tangible fixed assets		(2,265,536)	(1,794,259)
Net (acquisition) of endowment asset investments		(3,047,413)	(409,533)
Net (acquisition) of endowment debtors		(581,178)	-
Donation of shares		(32,153)	-
Endowments received		1,764,633	1,935,690
Deferred capital received		150,480	702,989
Net cash (outflow)/inflow from capital expenditure and financial investment		<u>(4,011,167)</u>	<u>434,887</u>
Net cash (outflow)/inflow before use of liquid resources and financing		<u>(3,284,619)</u>	<u>1,188,116</u>
Management of liquid resources	25	-	-
Loan (repayment)/received	26	(30,000)	300,000
(Decrease)/increase in cash	27	<u>(3,314,619)</u>	<u>1,488,116</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash for the year		(3,314,619)	1,488,116
Change in net funds		<u>(3,314,619)</u>	<u>1,488,116</u>
Net funds at 1 August		7,080,733	5,592,617
Net funds at 31 July		<u>3,766,114</u>	<u>7,080,733</u>

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

	2006 £	2005 £
1 ACADEMIC FEES AND TUITION INCOME		
Tuition fees from UK and European Union students	1,543,261	1,508,686
Tuition fees from overseas students	213,593	191,382
Other fees	352,620	397,903
Other tuition income	91,139	197,807
	<u>2,200,613</u>	<u>2,295,778</u>
The above analysis includes fee income in respect of UK and European Union publicly funded students amounting to £1,458,131 (2005 - £1,394,527).		
2 RESEARCH GRANTS AND CONTRACTS	£	£
Research councils	-	-
European commission	-	-
Other grants and contracts	21,498	68,000
	<u>21,498</u>	<u>68,000</u>
3 OTHER OPERATING INCOME	£	£
Residential income from college members	1,199,972	1,183,670
Conference and function income	809,664	771,082
Grants and donations	285,333	157,046
Other income	100,133	99,093
Release of deferred capital contributions	93,826	-
	<u>2,488,928</u>	<u>2,210,891</u>
4 ENDOWMENT RETURN AND INTEREST RECEIVABLE	£	£
Transferred from specific endowments (note 18)	229,310	212,389
Transferred from general endowments (note 18)	240,900	214,928
	<u>470,210</u>	<u>427,317</u>
5 STAFF COSTS	£	£
Gross pay	2,381,934	2,316,593
Social Security costs	158,994	154,239
Other pension costs (see note 6)	222,048	205,469
Other benefits	28,815	27,726
	<u>2,791,791</u>	<u>2,704,027</u>

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

6 PENSION SCHEMES

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS'), the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary), and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by the accounting standard FRS 17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

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

The College also has a small number of staff in another pension scheme, which is a defined contribution scheme.

The Schemes are periodically valued by qualified actuaries. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficiencies in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The assumptions which have the most significant effect on the result of the latest valuations and the determination of the contribution levels were those relating to the rate of return on investments (i.e. the valuation rate of interest) and the rates of increase in salaries and pensions, as follows:

USS: The latest actuarial valuation of the scheme was at 31 March 2005

It was assumed that salary increases would be 3.9% per annum (plus an additional allowance for increases in salary due to age and promotion in line with recent experience) and pensions would increase by 2.9% per annum. In relation to past service liabilities it was assumed that the valuation rate of return would be 4.5% per annum, and in relation to future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum.

OSPS: The latest actuarial valuation of the scheme was at 31 July 2004.

It was assumed that salary increases would be 4.4% per annum and pensions would increase by 3.0% per annum. It was assumed that the valuation rate of interest would be 6.95% per annum in relation to the period up to retirement and 4.95% per annum in relation to the period after retirement.

Results of the latest actuarial valuations of the three schemes are:

	USS	OSPS
Date of valuation:	31/03/2005	31/07/2004
Valuation of past service liabilities	£28,308m	£218m
Value of assets	£21,740m	£167m
Funding (deficit)	£(6,568)m	£(51)m
Funding ratios:		
Scheme valuation basis	77%	76%
Statutory minimum funding requirement basis	126%	110%
Statutory pension protection fund basis	110%	n/a*
Recommended employer's contribution rate (as % of pensionable salaries):	14%	17.5%

Notes:

- * The latest OSPS valuation was carried before the statutory pension protection fund basis was implemented

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

Universities Superannuation Scheme (USS):

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.3% of total pensionable salaries but the Trustee company, on the advice of the actuary, decided to maintain the institution contribution rate at 14% of total pensionable salaries.

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. An additional factor which could impact the funding level of the scheme is that with effect from 16 March 2006, USS positioned itself as a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31 March 2008. There will also be an actuarial valuation carried out as at 31 March 2006 and annually thereafter on the "technical provisions" basis under the Pensions Act 2004, as required by the Occupational Pensions Schemes (Cross-Border Activities) Regulations 2005, reflecting the scheme's status as a cross-border scheme. The contribution rate will be reviewed as part of each valuation.

The contributions payable by the College during the accounting period were equal to 14% of total pensionable salaries, in accordance with the decision of the trustee company. The pension charge recorded by the College during the accounting period was equal to the contributions payable of £89k (2005: £85k).

University of Oxford Staff Pension Scheme (OSPS):

The actuarial valuation as at 31 July 2004 identified a required long-term employer contribution rate of 15.8% of total pensionable salaries, but also a funding deficit of £51.3m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by maintaining the employer contribution rate at the previously agreed rate of 17.5% until 31 July 2008, at which time it is expected to increase to 21.5%, subject to any revision resulting from the next triennial actuarial valuation of the scheme due as at 31 July 2007.

The contributions payable by the College during the accounting period were equal to 17.5% of total pensionable salaries (2005: 13.75%), in accordance with the agreement between the University and the trustees. The pension charge recorded by the College during the accounting period was equal to the contributions payable of £131k (2005: £93k)

Other Schemes:

The College paid employer contributions of £8k (2005: £10k) during the accounting period to the other schemes above.

In addition, the College continues to make a small number of supplementation payments to retired members. The payments amounted to £3k (2005: £3k) during the accounting period.

FRS 17:

All USS and OSPS schemes in which the College participates are either defined contribution schemes or are multi-employer schemes where the share of assets and liabilities applicable to each employer are not identified. The College therefore accounts for all its pension costs on a defined contribution basis as permitted by FRS 17.

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

7 ANALYSIS OF EXPENDITURE

	Staff costs	Depreciation	Other operating expenses	2006 Total	2005 Total
	£	£	£	£	£
Academic	1,078,381	-	214,484	1,292,865	1,384,759
Residences, catering and conferences	1,013,319	-	643,356	1,656,675	1,627,448
Premises	153,601	300,873	718,833	1,173,307	961,142
College administration	367,924	-	176,370	544,294	484,644
Endowment Management	-	-	-	-	246
Fundraising	151,812	-	81,633	233,445	282,918
Other	26,754	-	5,153	31,907	42,731
	<u>2,791,791</u>	<u>300,873</u>	<u>1,839,829</u>	<u>4,932,493</u>	<u>4,783,888</u>
Interest payable				7,200	6,000
Contribution under Statute XV				11,950	6,530
Exchange difference				<u>30,921</u>	-
Total expenditure				<u>4,982,564</u>	<u>4,796,418</u>

The above analysis includes expenditure in respect of UK and European Union students met by publicly funded fee income amounting to £1,453,131 (2005 - £1,394,527).

Interest payable relates to -

Bank loans, overdrafts and other loans:	2006	2005
	£	£
Repayable wholly or partly in more than 5 years	7,200	6,000

Other operating expenses include auditors' remuneration:

	2006	2005
	£	£
in respect of the audit of these financial statements	13,000	13,000
in respect of other services	-	-

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

	2006 £	2005 £
8 TAXATION		
United Kingdom corporation tax	-	-
9 SURPLUS FOR THE YEAR		
College's surplus for the year	£ 176,106	£ 185,147
Surplus generated by the subsidiary undertaking	22,579	20,421
	<u>198,685</u>	<u>205,568</u>

10 TANGIBLE FIXED ASSETS

CONSOLIDATED AND COLLEGE

	Land & buildings		
	Freehold £	Equipment £	Total £
Cost			
At start of year	9,391,213	255,231	9,646,444
Additions	2,218,068	47,468	2,265,536
Disposals	-	-	-
At end of year	<u>11,609,281</u>	<u>302,699</u>	<u>11,911,980</u>
Cumulative Depreciation			
At start of year	2,629,927	77,674	2,707,601
Charge for period	248,525	52,348	300,873
On disposals	-	-	-
At end of year	<u>2,878,452</u>	<u>130,022</u>	<u>3,008,474</u>
Net book value			
At end of year	<u>8,730,829</u>	<u>172,677</u>	<u>8,903,506</u>
At start of year	<u>6,761,286</u>	<u>177,557</u>	<u>6,938,843</u>

	COLLEGE 2006 £	COLLEGE 2005 £
11 FIXED ASSET INVESTMENTS		
Investment in subsidiary at cost	<u>1</u>	<u>1</u>

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

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

12 ENDOWMENT ASSET INVESTMENTS

	CONSOLIDATED	COLLEGE	CONSOLIDATED & COLLEGE	CONSOLIDATED	COLLEGE
	Securities, debtors & cash £	Securities, debtors & cash £	Land & property £	Total £	Total £
At market value					
At start of year	28,361,157	28,361,157	725,000	29,086,157	29,086,157
Purchases at cost	7,093,320	7,093,320	-	7,093,320	7,093,320
Sales proceeds	(4,045,907)	(4,045,907)	-	(4,045,907)	(4,045,907)
(Decrease) in cash held by fund managers	(1,533,078)	(1,544,510)	-	(1,533,078)	(1,544,510)
Increase in endowment debtors	581,178	592,610	-	581,178	592,610
Donated shares	32,153	32,153	-	32,153	32,153
Revaluation gains	2,137,667	2,137,667	-	2,137,667	2,137,667
Transfer to deferred capital	(1,218,033)	(1,218,033)	-	(1,218,033)	(1,218,033)
At end of year	<u>31,408,457</u>	<u>31,408,457</u>	<u>725,000</u>	<u>32,133,457</u>	<u>32,133,457</u>

	CONSOLIDATED	COLLEGE	
	2006 £	2006 £	2005 £
Analysed as			
Fixed interest stocks (listed)	1,913,834	1,913,834	1,641,503
Equities (listed)	23,853,559	23,853,559	19,002,986
Unlisted securities	1,295,621	1,295,621	1,201,293
Debtors	581,178	592,610	-
Cash	3,764,265	3,752,833	6,515,375
	<u>31,408,457</u>	<u>31,408,457</u>	<u>28,361,157</u>
Historical cost at end of year	<u>28,073,332</u>	<u>28,073,332</u>	<u>27,574,352</u>

Endowment land and property valuation at 31 July 2005 has been made by Carter Jonas, the basis of the valuation being market value.

13 DEBTORS

	CONSOLIDATED	CONSOLIDATED	COLLEGE	COLLEGE
	2006 £	2005 £	2006 £	2005 £
Amounts falling due within one year				
Trade debtors	389,121	317,249	389,121	317,249
Amounts owed by College members	91,038	87,012	91,038	87,012
Gift aid recoverable	84,151	76,210	84,151	76,210
Prepayments and accrued income	283,216	19,607	229,987	19,607
Amount owed by subsidiary	-	-	-	156,226
Amounts falling due after more than one year				
Loans (see note 23)	71,400	89,800	71,400	89,800
	<u>918,926</u>	<u>589,878</u>	<u>865,697</u>	<u>746,104</u>

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

14 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED	CONSOLIDATED	COLLEGE	COLLEGE
	2006	2005	2006	2005
	£	£	£	£
Temporary loan from the Endowment	220,697	-	232,129	-
Trade creditors	131,501	252,575	131,501	252,575
College Contribution	13,700	6,530	13,700	6,530
Other taxation and social security	59,626	4,766	59,626	7,074
Accruals and deferred income	552,722	425,677	358,381	399,934
Loan	30,000	30,000	30,000	30,000
Other creditors	34,487	27,367	34,487	27,367
Amount owed to subsidiary	-	-	172,680	-
	<u>1,042,733</u>	<u>746,915</u>	<u>1,032,504</u>	<u>723,480</u>

15 CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED	CONSOLIDATED	COLLEGE	COLLEGE
	2006	2005	2006	2005
	£	£	£	£
Loan	240,000	270,000	240,000	270,000
Other creditors	109,361	117,477	109,361	117,477
	<u>349,361</u>	<u>387,477</u>	<u>349,361</u>	<u>387,477</u>

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

16 PROVISIONS FOR LIABILITIES AND CHARGES

CONSOLIDATED AND COLLEGE

	£
At start of year	164,268
Transfer to income and expenditure account	(8,776)
At end of year	<u>155,492</u>

The provision relates to SSAP24 for pension liabilities.

17 DEFERRED CAPITAL

CONSOLIDATED AND COLLEGE

	£
At start of year	977,148
New capital	150,480
Transfer from Endowment	1,218,033
Release of deferred capital	(93,826)
At end of year	<u>2,251,835</u>

The balance on deferred capital represents donations received to contribute to the cost of improvements to buildings. Amounts are released to the income and expenditure account over the lives of the related assets on the same

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

basis as the charge for depreciation.

18 ENDOWMENTS

CONSOLIDATED AND COLLEGE

	Specific £	General £	Total £
At start of year	15,964,640	13,121,517	29,086,157
Endowments received	541,632	923,001	1,464,633
Appreciation of endowment investments	1,241,953	895,714	2,137,667
Income receivable from endowment asset investments	468,373	364,870	833,243
Transferred to income and expenditure account (note 4)	(229,310)	(240,900)	(470,210)
Capital grant from the University	-	300,000	300,000
Transfer to deferred capital	-	(1,218,033)	(1,218,033)
At end of year	<u>17,987,288</u>	<u>14,146,169</u>	<u>32,133,457</u>

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

Specific Endowments are those bequests and gifts where the use of the capital and income, or only the income, is for a specific purpose or activity so designated by the donor and which can only be used for that purpose or activity. General Endowments represent the corporate capital of the College and include bequests and gifts where the use of the capital and income, or only the income is for the general purposes of the College. Part of these funds may have been designated for a particular purpose by the Governing Body.

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

19 RESERVES

	CONSOLIDATED	COLLEGE
	£	£
GENERAL RESERVES		
At start of year	5,857,932	5,837,511
Surplus from income and expenditure account	198,685	176,106
At end of year	<u>6,056,617</u>	<u>6,013,617</u>

20 CAPITAL COMMITMENTS

CONSOLIDATED

There were no capital commitments at 31 July 2006 (2005 - £983k)

21 FINANCIAL COMMITMENTS

At 31 July 2006 the College had no annual commitments under non-cancellable operating leases (2005 - £nil)

22 CONTINGENT LIABILITIES

At 31 July 2006 (and 2005) there were no significant contingent liabilities.

23 RELATED PARTY TRANSACTIONS

	2006	2005
	No.	No.
Fellows had loans outstanding at the year end as follows:		
Loan of £10,000	5	6
Loan of £5,000 to £9,999	3	4

Interest is chargeable on the loans at 5% per annum.

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

	2006	2005
	£	£
Surplus for the year	198,685	205,568
Depreciation	300,873	212,424
Deferred capital released	(93,826)	-
Endowment income and interest receivable	(470,210)	(427,317)
Decrease/(increase) in stocks	7,905	(6,508)
(Increase) in debtors	(329,048)	(77,833)
Increase in creditors	287,702	89,258
(Decrease)/increase in provisions	(8,776)	17,925
	<u>(106,695)</u>	<u>13,517</u>

PEMBROKE COLLEGE
Notes to the Financial Statements
Year ended 31 July 2006

25 MANAGEMENT OF LIQUID RESOURCES	2006 £	2005 £
	<u> </u>	<u> </u>
	-	-

26 FINANCING

A loan of £300,000 was received in 2005 on the terms set out in note 15.

27 ANALYSIS OF CHANGES IN NET FUNDS	2006 £	Changes £	2005 £
Cash at bank and in hand	1,849	(563,509)	565,358
Endowment assets cash	3,764,265	(2,751,110)	6,515,375
	<u>3,766,114</u>	<u>(3,314,619)</u>	<u>7,080,733</u>