

**PEMBROKE COLLEGE MISSION**

**TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 2018**

**Charity No: 211025**

**PEMBROKE COLLEGE MISSION**

**TRUSTEES' REPORT AND ACCOUNTS**

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# PEMBROKE COLLEGE MISSION

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31ST MARCH 2018

The Trustees present their annual report and financial statements of the Charity for the year ended 31st March 2018. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published on 16 July 2015.

#### OUR PURPOSE AND ACTIVITIES

The Charity was established in 1885, under its Rules of Mission (as amended on 25th February 1994); it was registered with the Charity Commission on 22 November 1962 (Charity no 211025). The Charity's objects are to:-

- a) promote Christianity through its connection with Pembroke College, Cambridge, in accordance with the principles of the Church of England
- b) advance education and provide facilities for social welfare and leisure activities at the South London premises of the Charity.

#### Context and need

The estates surrounding Pembroke House are in the top 10% most deprived nationally (Indices of Multiple Deprivation, 2015) relating to indicators on income, crime and disorder, living environment, deprivation affecting children and deprivation affecting older people. Over 40% of children live in poverty (End Child Poverty Commission 2018) and the area is within the top 10% of London neighbourhoods at risk of social isolation among the elderly (ONS). In the London Well-Being Survey of 2013, our ward (East Walworth) ranked 602nd out of 625 wards based on indicators including health, safety, and environment.

Today more than 80 different languages are spoken in homes in the Walworth area and 44.9% of those living in our ward were born overseas (compared to 13.4% in England). In coming years phased redevelopments on the former Heygate Estate, Aylesbury Estate, and the Old Kent Road will contribute to significant demographic, social, and economic changes in the area; bringing a new wave of economically- and socially-mobile residents to Walworth.

As new residents move to the area there is a clear need for activities and organising work that can bridge divides between old and new, building an inclusive sense of community in Walworth, and providing stability, continuity, and neutral space in a rapidly changing environment.

#### Our volunteers

Volunteers come weekly to help with the Lunch Club, the Garden Group, office administration or PAM, our music school, while others come to help out with specific events or take forward initiatives such as the Community Newsletter. Our regular volunteers have ranged in age from 17 to 85 years old. Eight were referred to us by mental health organisations to aid with their recovery. In this accounting period 107 people volunteered at Pembroke House, for a total of 6200 volunteer hours, equivalent to 3.4 full-time workers

#### Achievements and Performance

Pembroke House is home to 30 projects, some solely our responsibility and others run in partnership with 15 external organisations, whose expertise we bring into our building and our neighbourhood.

We run a Lunch Club for local residents of over 60 years of age, attended by an average of 50 participants per week, a gardening group to support the mental wellbeing of those who have had lived experience of mental ill health, musical activities for mothers and babies, a classical music academy for children from 4 to 15 years of age, classical dance for beginners and improvers, sewing, knitting and community journalism. We also run a community organising programme to listen to local residents' needs and help galvanise them to take action to meet them, for example by organising a street party with 4 local Tenants' Residents' Associations which was attended by more than 500 residents, and a thriving volunteering programme to support all of these activities.

With *involuntarymovement*, we run dance and drama for young adults with learning disabilities and for children with mental health and conduct issues. With Advising London, we offer ESOL classes and legal, housing, employment, debt and immigration advice for the Latin American community and a signposting session for residents from the wider community with the Southwark Wellbeing Hub.

# PEMBROKE COLLEGE MISSION

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31ST MARCH 2018

We have a partnership with the South London and Maudsley NHS Foundation Trust, who second a member of staff to Pembroke House to encourage more local residents to access mental health services, and to connect mental health practitioners to the support that is available in the community to their clients, as well as employment support for residents who also have mental health difficulties.

With Migrateful, we run a training programme for refugee and immigrant chefs on how to teach the cuisine of their country to this host community, and with the Reader Organisation a reading group to encourage social activity and conversation with isolated residents. St. Christopher's church has two weekly services in our building, as well as bible study and Messy Church sessions. Alcoholics Anonymous and Narcotics Anonymous run weekly sessions here, and English for Action have ESOL classes for Latin American parents and Spanish for their children.

IntoUniversity work with local children from primary and secondary schools in academic support and to raise aspirations for attending university. 1344 students worked with IntoUniversity, 78% of whom stated that they are now more likely to go to university.

#### **Public benefit statement**

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a Charity' (PD2). The achievements and activities above illustrate the public benefit arising through the Charity's activities.

#### **FINANCIAL REVIEW**

The financial results for the year are set out in the Statements of Financial Activities on page 9. The Charity recorded a loss, in terms of net movement of funds before investments revaluation, of £16,649 (2017 – surplus £5,021), and reserves stand at £3,033,870 (2017 - £3,062,107). The net loss on investments revaluation during the year was £11,588 (2017 - £63,280 gain). The underlying financial position is relatively stable, which will enable the work of serving the community to increase whilst at the same time allow for maintenance and enhancement of the community centre and investment properties which are the responsibility of the Trustees.

#### **Reserves policy**

It is the policy of the Trustees to maintain free or unrestricted reserves at a level equivalent to at least five months running costs to cover all eventualities and emergencies. At present this is calculated to be £204,207 based on projected expenditure, with no allowance made for projected income. This amount represents the costs of staff wages, contractual liabilities including leasing of office equipment, building and organisation overheads and project operating costs. At the end of the accounting period, the Charity held £231,314 in unrestricted funds and thus held £27,107 in excess of its own policy. This excess in unrestricted reserves is expected to be spent on the creation of an internship programme to give the post-holder an opportunity to gain experience in the Charity sector; and the salary of a short term staff member to develop a Customer Relationship Management system to help the Charity evaluate the difference it makes.

The Trustees have also held at year end £155,000 as designated reserves - the Future Capital Repairs Fund - to cover the cost of normal running repairs and additional works planned over a 3 year period across our property assets. In October 2015 the Trustees agreed to increase the fund by £20,000 per annum until 2019, in response to the Inspecting Architect's advice in 2014 that the roof of Pembroke House would be good for another 5 years but may need to be replaced in 2019 at a cost of around £140,000 at (then) current rates.

The Trustees have undertaken to review the policy and amount designated annually, and/or if any exceptional circumstances should arise. At this level Trustees feel that they would be able to continue the current activities of the Charity in the event of a significant temporary drop in funding, and put into place exit strategies if needed.

# PEMBROKE COLLEGE MISSION

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31ST MARCH 2018

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Trustees acting as an Executive Committee have overall responsibility for the activities of the Charity. The Trustees delegate the day-to-day management of the Charity to the Warden, who remains accountable to the Trustees in all matters. The Executive Committee meets four times a year; smaller sub-groups meet more frequently as required. The Executive Committee receives written reports each quarter from each project lead, and follows up on those reports as appropriate.

New Trustees are provided with the appropriate documentation relating to the Charity's responsibilities, financial condition and obligations, and governance.

St Christopher's Church fulfils the Christian objectives with which Pembroke College Mission was established and is integral to the life of Pembroke House. The Vicar of the Parish of St Christopher's, Walworth is also the Warden of Pembroke House; the post of Vicar is funded by the Church of England's Diocese of Southwark.

Projects run at or from Pembroke House are intended to advance education and social welfare for local residents of all faiths and none.

#### **Personnel**

Omitting volunteers, at the start of the accounting period Pembroke House employed 9 persons, and at the close of the same period 11 persons.

#### **Risk Management**

A Staff Handbook covering all policies and procedures relevant to the conduct of the Pembroke College Mission's activities was authorized by the Trustees in 2012 and has been under review in 2018. Financial risks are monitored by the Trustee responsible for the accounts, and are reported to the Trustees' Executive Committee meetings. On and off site activities are assessed for risk on an individual basis, if necessary in conjunction with Pembroke House's insurers. All staff and where relevant, volunteers, are checked with the Disclosure and Barring Service.

#### **Pensions**

The Charity currently and prospectively employs fewer than 50 people. In 2017-2018 the Charity's Trustees have enrolled with the National Employment Savings Trust Corporation to provide a qualifying pension scheme for those employees who are required to be enrolled according to the Pensions Regulator.

#### **Investment powers and policy**

The Trustees have kept under review the most appropriate policy for safeguarding the value of and return on surplus funds. They have found that under current conditions bank deposit accounts provide the appropriate combination of security and accessibility. Where the Charity's investments are held in instruments managed according to total-return principles, the Trustees accept the manager's division of the return as between capital gain and income pay-out (see note 6 to the Accounts).

#### **PLANNING FOR THE FUTURE**

Reflecting the organisation's recent growth the Trustees will appoint an Executive Director to take day-to-day responsibility for the running of the Charity. The Executive Director will work closely with the Warden, who will retain a central role in governance and ensure relationship between Pembroke House and St Christopher's Church.

In the course of the financial year 2018-2019 we will also finalise the process of incorporation to become a charitable company limited by guarantee and launch a new three-year strategic plan.

**PEMBROKE COLLEGE MISSION**  
**TRUSTEES' REPORT (Cont/d)**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**Charity Number:** 211025

**Trustees**

Ms Fiona Adler  
Ms Rosalind Earis  
Dr Tim Forse  
The Rev'd Dr James Gardom  
Professor Loraine Gelsthorpe  
The Rev'd Eleanor Goodison  
Mr Michael Kuczynski  
Mr Michael Mitchell  
Mr Andrew Morris  
Mr John Nevin  
Lord Smith of Finsbury  
The Rev'd Canon Brian Watchorn

**Senior Management:** The Rev'd David Evans – Warden of Pembroke House  
Grisel Tarifa - Director of Finance and Operations  
Mike Wilson - Director of Projects and Strategy

**Registered Office:** 80 Tatum Street, Walworth, London SE17 1QR

**Independent Examiner:** Mr D Terry, Ramon Lee Ltd, Eagle House, 167 City Road, London EC1V 1AW

**Bankers:** CAF Bank, 25 Kings Hill Avenue, Kings Hill, West Malling ME19 4JQ

**TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Trust Deed. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the Charity and the financial information included on the Charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

**PEMBROKE COLLEGE MISSION**  
**TRUSTEES' REPORT (Cont/d)**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

This report was approved by the Trustees on 12<sup>th</sup> December 2018 and signed on their behalf:

.....  
**THE REV'D DR JAMES GARDOM**  
**TRUSTEE**

# REPORT OF THE INDEPENDENT EXAMINER TO THE TRUSTEES OF

## PEMBROKE COLLEGE MISSION

I report on the accounts of Pembroke College Mission for the year ended 31 March 2018, which are set out on pages 9 to 22.

### Respective responsibilities of Trustees and examiner

The Charity's Trustees are responsible for the preparation of the accounts. The Charity's Trustees consider that an audit is not required for this year under section 144 of the Charities Act 2011 ("the Charities Act") and that an independent examination is needed.

It is my responsibility to:

- examine the accounts under section 145 of the Charities Act,
- to follow the procedures laid down in the general Directions given by the Charity Commission (under section 145(5)(b) of the Charities Act, and
- to state whether particular matters have come to my attention

### Basis of independent examiner's report

My examination was carried out in accordance with general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### Independent examiner's statement

In connection with my examination, no material matters have come to my attention which gives me cause to believe that in, any material respect:

- the accounting records were not kept in accordance with section 130 of the Charities Act; or
- the accounts did not accord with the accounting records; or
- the accounts did not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

**DAVID TERRY – CHARTERED ACCOUNTANT  
RAMON LEE LTD  
EAGLE HOUSE  
167 CITY ROAD  
LONDON EC1V 1AW**

**12<sup>Th</sup> DECEMBER 2018**

# PEMBROKE COLLEGE MISSION

## STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31ST MARCH 2018

### SUMMARY INCOME AND EXPENDITURE ACCOUNT

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018 £	Total 2017 £
<b>Income</b>						
Grants and donations	2	54,193	29,100	-	83,293	107,133
Income from charitable activities	3	13,000	201,649	-	214,649	173,452
Income from other trading activities	4	62,830	-	-	62,830	75,308
Investment income	5	59,325	-	-	59,325	53,689
<b>Total income</b>		<u>189,348</u>	<u>230,749</u>	<u>-</u>	<u>420,097</u>	<u>409,582</u>
<b>Expenditure</b>						
Cost of raising funds	6	54,503	-	-	54,503	53,035
Expenditure on charitable activities	7	124,837	257,406	-	382,243	351,526
<b>Total Expenditure</b>		<u>179,340</u>	<u>257,406</u>	<u>-</u>	<u>436,746</u>	<u>404,561</u>
<b>Net income / (expenditure) &amp; net movements in funds before gains &amp; losses on investments</b>						
		10,008	(26,657)	-	(16,649)	5,021
Net gains on investments	12	5,962	-	(17,550)	(11,588)	63,280
<b>Net movement in funds</b>		<u>15,970</u>	<u>(26,657)</u>	<u>(17,550)</u>	<u>(28,237)</u>	<u>68,301</u>
<i>Reconciliation of funds</i>						
Total funds, brought forward		391,284	1,370,823	1,300,000	3,062,107	2,993,806
<b>Total funds, carried forward</b>		<u><u>407,254</u></u>	<u><u>1,344,166</u></u>	<u><u>1,282,450</u></u>	<u><u>3,033,870</u></u>	<u><u>3,062,107</u></u>

#### CONTINUING OPERATIONS

None of the Charity's activities were initiated or discontinued during the accounting periods.

#### TOTAL RECOGNISED GAINS AND LOSSES

The company had no recognised gains or losses other than the movements in funds reported above for the two accounting periods.

The notes on pages 11 to 22 form part of these accounts.

**PEMBROKE COLLEGE MISSION**  
**BALANCE SHEET AS AT 31ST MARCH 2018**

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11		1,301,076		1,337,350
Investments	12		1,490,712		1,488,987
			2,791,788		2,826,337
<b>Current Assets</b>					
Debtors	13	28,057		61,603	
Cash at bank and in hand		232,590		201,620	
		260,647		263,223	
<b>Liabilities</b>					
Creditors falling due within one year	14	18,565		27,453	
<b>Net Current Assets</b>			242,082		235,770
<b>Net assets</b>			3,033,870		3,062,107
<b>The funds of the charity:</b>					
Unrestricted funds:					
General	15		252,254		256,284
Designated	15		155,000		135,000
Restricted funds	15		1,344,166		1,370,823
Endowment funds:					
Expendable endowment	15		1,282,450		1,300,000
<b>Total charity funds</b>			3,033,870		3,062,107

Approved by the Trustees on 12<sup>th</sup> December 2018 and signed on their behalf by:

..... LORD SMITH OF FINSBURY

..... THE REV'D DR JAMES GARDOM

The notes on pages 11 to 22 form part of these accounts.

# PEMBROKE COLLEGE MISSION

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31ST MARCH 2018

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with the statement "Accounting and Reporting by Charities: Statement of Recommended Practice" applicable to charities preparing their accounts in accordance with the "Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102) (effective 1 January 2015) – (Charity SORP (FRS 102) revised), The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006.

Pembroke College Mission meets the definition of a public benefit entity under FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

##### 1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was needed. They have formed the opinion that no restatements were required.

The opening reserves and the previous year's Net Income and Expenditure are unchanged.

##### 1.3 Preparation of accounts on a going concern basis

The Charity's Financial Statements show net expenditure of £28,237 for the year and free reserves of £231,314. The Trustees are of the view that despite the negative net movements in funds, these results have secured the immediate future of the Charity for the next 12 to 18 months and on this basis the Charity is a going concern.

The Charity has made an application to the Companies House, to register a company limited by guarantee.

##### 1.4 Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and amount can be measured reliably.

- (a) Income amount received by way of grants and donations are included in full in the Statement of Financial Activities when received, unless they relate to a specified future period, in which case they are deferred.
- (b) Income amounts from charitable activities received by way of revenue grants and donations are credited to restricted incoming resources on the earlier date of when they are received or when they are receivable, unless they relate to a specified future period, in which case they are deferred.
- (c) Grants and donations of a general nature which are not conditional on delivering certain levels of service are included as part of Grants and Donations as shown under note 2. Performance related grants and donations which are contingent on specific outcomes are included as Income from Charitable Activities as shown in Note 3.
- (d) Capital grants for the purchase of fixed assets are credited to restricted incoming resources on the earlier date of when they are received or receivable. Depreciation on the related fixed assets is charged against the restricted fund.
- (e) Income from charitable activities include income recognised as earned (as the related goods and services are provided) under contract.
- (f) Rental income and service charges are credited to income in the year in which they are receivable.
- (g) Investment income is included when receivable.

# PEMBROKE COLLEGE MISSION

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31ST MARCH 2018

#### 1.5 **Volunteers and donated services and facilities**

Donated professional services and donated facilities are recognised as income when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the Charity of the item is probable, and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognized, and reference is made to the Trustees' annual report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charity which is the amount the Charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

#### 1.6 **Expenditure recognition and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- (a) Cost of raising funds includes staff time used to raise grants and donations, rental property costs and their associated support costs.
- (b) Expenditure on charitable activities includes the costs directly associated with running a community centre and other community programmes, to further the purposes of the Charity, and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

#### 1.7 **Allocation of support costs**

Support costs are those functions that assist the work of the Charity but do not directly undertake charitable activities. Support costs include back office costs, finance and administration personnel, payroll and governance costs which support the Charity's programmes and activities. These costs have been allocated between the cost of raising funds and the expenditure on charitable activities. The basis on which support costs have been allocated is set out in note 7.

#### 1.8 **Funds structure**

The general funds comprise those monies, which may be used toward meeting the charitable objectives of the Charity at the discretion of the Trustees.

The designated funds comprise of monies set aside at the discretion of the Trustees for a specific purposes.

The restricted funds are monies raised for, and their use restricted to, a specific purpose or donations subject to donor imposed conditions.

#### 1.9 **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. The costs of minor additions or those costing less than £500 are not capitalised. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	Not depreciated
Freehold buildings	-	Building costs over 50 years
Fixtures & fittings	-	20% straight line basis
Computer equipment	-	50% straight line basis

# PEMBROKE COLLEGE MISSION

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31ST MARCH 2018

#### 1.10 Investments

Investments are held in standard or basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value. Investments are currently held as units in the Amalgamated Trust Funds of Pembroke College, Cambridge, which is a unit trust internal to the College, managed by the College alongside its endowment funds. The Pembroke College Mission's holdings of those units are valued by the Amalgamated Trust Funds of Pembroke College, with that valuation adjusted to reflect fairly any differences between the valuation's date and 31 March 2018.

The statement of financial activities includes the net gains and losses so arising on revaluation and disposals throughout the year.

The Charity does not hold traded options, other derivatives, or other complex financial instruments.

The primary form of financial risk faced by the Charity is that of volatility in the property market due to wider economic conditions; with secondary exposure to financial market returns volatility through its holdings in the Amalgamated Trust Funds of Pembroke College.

Investment properties are valued initially at cost and subsequently at fair value at the reporting date.

#### 4.1 Realised / unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### 1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short term deposits at regulated banks.

#### 1.12 Creditors and provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

#### 1.13 Financial instruments

The Charity has only financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently valued at their settlement value with the exception of bank loans which are subsequently valued at amortised cost using the effective interest method.

#### 1.14 Taxation

The Charity is a registered Charity and, therefore, is not liable for Income Tax or Corporation Tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### 1.15 Judgement and key sources of estimation uncertainty

In the application of its accounting policies, the Charity is required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by the Trustees on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# PEMBROKE COLLEGE MISSION

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31ST MARCH 2018

#### 1.16 Pension costs

The Charity participates in a defined contribution pension scheme on behalf of its employees. Contributions are charged to the Statement of Financial Activities in the period in which they are payable. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

#### 1.17 Cash flow statement

The Charity qualifies as a small company and advantage has been taken of the exemption provided by SORP (FRS 102) as amended by Bulletin 1, not to prepare a cash flow statement.

## 2. GRANTS AND DONATIONS

	Unrestricted	Restricted	Total	Total
	£	£	2018	2017
			£	£
Pembroke College Cambridge Members	24,228	-	24,228	20,608
Grayling Charitable Trust	3,750	-	3,750	-
Lloyd Family Trust	5,000	-	5,000	-
Peter Stebbings Charitable Trust	-	20,000	20,000	20,000
Southwark Council	-	-	-	27,460
Anonymous donor	7,000	5,050	12,050	-
Other donations (less than £2,500)	8,307	4,050	12,357	11,565
Gift Aid	3,408	-	3,408	3,000
Individual - donation in kind	2,500	-	2,500	-
A & E Elkins Ltd - donation in kind	-	-	-	12,000
Herbert Smith Freehills - donation in kind	-	-	-	2,500
Slaughter and May - donation in kind	-	-	-	10,000
	<u>54,193</u>	<u>29,100</u>	<u>83,293</u>	<u>107,133</u>

Grants and donations income in 2017 totalling £107,133 was attributed to unrestricted funds in the amount of £59,673 and to restricted funds of £47,460.

The Charity is indebted to an individual for providing pro-bono legal advice. The income equivalent is recognised within income as a donation, and a corresponding charge is included within governance costs under legal and professional costs.

**PEMBROKE COLLEGE MISSION**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 2018**

**3. INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted £	Restricted £	Total 2018 £	Total 2017 £
<b>Community Centre:</b>				
<b><i>Inclusive Dance Project</i></b>				
The Merchant Taylors' Company	-	-	-	14,166
The Tobacco Pipe Makers & Tobacco Trade Benevolent Fund	-	10,000	10,000	19,166
The True Colours Trust	-	-	-	5,000
	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>38,332</u>
<b><i>dt17 - Dance-theatre for young people</i></b>				
BeMore	-	-	-	16,400
Charterhouse in Southwark	-	-	-	5,434
Lloyd Family Trust	-	-	-	2,500
Sir John Cass's Foundation	-	33,242	33,242	-
United St Saviour's Charity	-	-	-	3,505
	<u>-</u>	<u>33,242</u>	<u>33,242</u>	<u>27,839</u>
<b><i>Pembroke Academy of Music</i></b>				
The Tobacco Pipe Makers & Tobacco Trade Benevolent Fund	-	10,000	10,000	14,166
St. Mary Newington United Charities	-	-	-	2,855
Donors from Pembroke College	-	4,625	4,625	5,350
Gift Aid for Pembroke Academy of Music	-	1,587	1,587	1,500
Pembroke Academy of Music - other contributions & door takings	-	7,127	7,127	6,325
Other donations (less than £2,500)	-	-	-	7,302
	<u>-</u>	<u>23,339</u>	<u>23,339</u>	<u>37,498</u>
<b><i>Community Outreach</i></b>				
The Company of Community Organisers	-	17,500	17,500	-
United St Saviour's Charity	-	49,898	49,898	40,759
Other donations (less than £2,500)	-	293	293	-
	<u>-</u>	<u>67,691</u>	<u>67,691</u>	<u>40,759</u>
<b><i>Community Projects</i></b>				
Anonymous Trust - Lunch Club	-	-	-	5,412
United St Saviour's Charity - various community projects	-	-	-	1,447
Southwark Charities - Lunch Club	-	-	-	3,594
Other donations (less than £2,500)	-	3,395	3,395	5,846
User contributions - Lunch Club	-	3,832	3,832	2,694
	<u>-</u>	<u>7,227</u>	<u>7,227</u>	<u>18,993</u>
<b><i>Volunteer Programme</i></b>				
Wakefield and Tetley Trust	-	10,000	10,000	10,031
Other donations (less than £2,500)	-	150	150	-
	<u>-</u>	<u>10,150</u>	<u>10,150</u>	<u>10,031</u>
<b>Health and Wellbeing:</b>				
Community Southwark	13,000	-	13,000	-
Guy's & St. Thomas' Charity	-	50,000	50,000	-
	<u>13,000</u>	<u>50,000</u>	<u>63,000</u>	<u>-</u>
Total income from charitable activities	<u>13,000</u>	<u>201,649</u>	<u>214,649</u>	<u>173,452</u>

Income from charitable activities in 2017 totalling £173,452 was all attributed to restricted funds.

**PEMBROKE COLLEGE MISSION**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST MARCH 2018**

**4. INCOME FROM OTHER TRADING ACTIVITIES**

	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	£	2018	2017
	£	£	£
Rent - Halls and residency	46,788	46,788	59,988
Management and service charges	15,000	15,000	15,000
Other income	1,042	1,042	320
	<u>62,830</u>	<u>62,830</u>	<u>75,308</u>

Income from other trading activities in 2017 totalling £75,308 was attributed to unrestricted funds

**5. INVESTMENT INCOME**

	<b>Unrestricted</b>	<b>Total</b>	<b>Total</b>
	£	2018	2017
	£	£	£
Rent - Investment properties	52,376	52,376	47,066
Interest on cash deposits	73	73	186
Dividends	6,876	6,876	6,437
	<u>59,325</u>	<u>59,325</u>	<u>53,689</u>

Investment income in 2017 totalling £53,689 was attributed to unrestricted funds.

**6. ANALYSIS OF EXPENDITURE**

	<b>Raising</b>	<b>Community</b>	<b>Health &amp;</b>	<b>Total</b>	<b>Total</b>
	<b>Funds</b>	<b>Centre</b>	<b>Wellbeing</b>	<b>2018</b>	<b>2017</b>
	£	£	£	£	£
Staff costs	24,922	118,677	18,389	161,988	160,905
Other direct expenditure	-	88,360	16,531	104,891	41,861
Premises costs	7,845	30,479	-	38,324	34,065
Depreciation	6,570	31,939	-	38,509	44,146
Fundraising costs	997	-	-	997	1,981
Support costs (Note 7)	13,121	64,884	7,226	85,231	87,338
Governance costs (Note 7)	1,048	5,181	577	6,806	34,265
	<u>54,503</u>	<u>339,520</u>	<u>42,723</u>	<u>436,746</u>	<u>404,561</u>

Of the £436,746 expenditure in 2018 (2017 - £404,561), £179,340 was charged to unrestricted funds (2017 - £200,389) and £257,406 to restricted funds (2017 - £204,172).

**PEMBROKE COLLEGE MISSION**

**NOTES TO THE ACCOUNTS (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2018**

**7. ANALYSIS OF SUPPORT AND GOVERNANCE COSTS**

The Charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Governance costs and other support costs are apportioned separately between the Charity's key activities undertaken (see note 6) in the year. All general support and governance costs have been apportioned to the various charitable activities on the basis of staff time allocated to each activity.

	<b>General support</b>	<b>Governance function</b>	<b>Total 2018</b>	<b>Total 2017</b>
	£	£	£	£
Management and administration staff	53,699	-	53,699	58,301
Premises costs	5,333	-	5,333	3,353
Depreciation	6,307	-	6,307	8,483
Communication costs	16,338	-	16,338	10,271
Legal and professional costs	-	2,500	2,500	30,206
Board meeting expenses	-	353	353	459
Independent examiners' fees	-	3,600	3,600	3,600
Miscellaneous expenses	3,554	353	3,907	6,930
	<u>85,231</u>	<u>6,806</u>	<u>92,037</u>	<u>121,603</u>

**8. NET INCOME/(EXPENDITURE) FOR THE YEAR**

This is stated after charging:

	<b>2018</b>	<b>2017</b>
	£	£
Independent Examination	3,600	3,600
Depreciation	<u>44,816</u>	<u>52,628</u>

**9. ANALYSIS OF STAFF COSTS, TRUSTEES REMUNERATION AND EXPENSES, AND COST OF KEY MANAGEMENT PERSONNEL**

**STAFF COSTS**

The total staff costs were:	<b>2018</b>	<b>2017</b>
	£	£
Wages and salaries	183,156	167,209
Social security costs	14,493	10,877
Pensions	5,435	2,611
	<u>203,084</u>	<u>180,697</u>

No employee received remuneration in excess of £60,000 during the year (2017 – £NIL).

No Trustee or member of the Management Committee received any remuneration or reimbursed expenses during the year (2017 - £nil).

The key management personnel of the Charity comprise the Director of Projects & Strategy, the Director of Operations & Finance, and the Warden. The total employee benefits of the key management personnel of the Charity were £87,350 (2017 - £86,480). The Warden is not employed or paid fees by the Charity.

**PEMBROKE COLLEGE MISSION**  
**NOTES TO THE ACCOUNTS (Cont/d)**  
**FOR THE YEAR ENDED 31ST MARCH 2018**

**10. STAFF NUMBERS**

The average monthly number of staff employed by the Charity during the year was as follows:

	<b>2018 Number</b>	<b>2017 Number</b>
Administration and finance	1.5	1.5
Project staff	5.0	4.5
	<u>6.5</u>	<u>6.0</u>

**11. TANGIBLE FIXED ASSETS**

<b>COST</b>	<b>Land and buildings £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Total £</b>
As at 1 April 2017	1,642,462	79,109	1,721,571
Additions during year	-	8,542	8,542
As at 31 March 2018	<u>1,642,462</u>	<u>87,651</u>	<u>1,730,113</u>
<b>DEPRECIATION</b>			
As at 1 April 2017	339,976	44,245	384,221
Charge for the year	32,849	11,967	44,816
As at 31 March 2018	<u>372,825</u>	<u>56,212</u>	<u>429,037</u>
<b>NET BOOK VALUES</b>			
As at 31 March 2018	<u>1,269,637</u>	<u>31,439</u>	<u>1,301,076</u>
As at 31 March 2017	<u>1,302,486</u>	<u>34,864</u>	<u>1,337,350</u>

The freehold property is registered to Brian Watchorn, sometime Dean of Pembroke College, Cambridge and Trustee of the Pembroke College Mission, and to Dr Tim Forse, Trustee of the Pembroke College Mission. The freehold property is held on trust on behalf of the Charity.

The Charity's land and buildings and improvements are subject to a legal charge of £500,000 by the Big Lottery Fund, commencing May 2008 for a period of twenty years.

**PEMBROKE COLLEGE MISSION**

**NOTES TO THE ACCOUNTS (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2018**

**12. INVESTMENTS**

**a)**

**Investment property:**

	<b>2018</b>	<b>2017</b>
	£	£
Fair value at 1 April	1,300,000	1,253,000
Change in value in the year	(17,550)	47,000
<b>Market value at 31 March</b>	<u><u>1,282,450</u></u>	<u><u>1,300,000</u></u>

Historical cost:

As at 1 April	<u><u>-</u></u>	<u><u>-</u></u>
As at 31 March	<u><u>-</u></u>	<u><u>-</u></u>

**Investment - Amalgamated Trust Funds of Pembroke College:**

	<b>2018</b>	<b>2017</b>
	£	£
Fair value at 1 April	188,987	172,707
Additions at cost	13,313	-
Change in value in the year	5,962	16,280
<b>Market value at 31 March</b>	<u><u>208,262</u></u>	<u><u>188,987</u></u>

Historical cost:

As at 1 April	<u><u>168,770</u></u>	<u><u>168,770</u></u>
As at 31 March	<u><u>182,083</u></u>	<u><u>168,770</u></u>

**b) Analysis of investments**

	<b>2018</b>	<b>2017</b>
	£	£
Investment property	1,282,450	1,300,000
Investment – Amalgamated Trust Funds of Pembroke College	208,262	188,987
	<u><u>1,490,712</u></u>	<u><u>1,488,697</u></u>

**c) Investment property**

The investment properties are freeholds originally acquired as compensation to the Charity and thus at no cash cost. The Trustees have considered the value at which the freehold properties, held as investments, have been included in the financial accounts. They are of the opinion that the current market value as at 31 March 2018 is £1,282,450. The market value is based on an independent valuation as at 31 March 2017 carried out by, Kinleigh Folkard & Hayward, real estate consultants, of 292-294 Kennington Rd, London SE11, amended by the decrease in property value in the area during the year.

The investment properties are registered to Brian Watchorn, sometime Dean of Pembroke College, Cambridge and Trustee of the Pembroke College Mission, and to Dr Tim Forse, Trustee of the Pembroke College Mission. The investment properties are held on trust on behalf of the Charity.

**d) Investment – Amalgamated Trust Funds of Pembroke College:**

These investments are held as units in the Amalgamated Trust Funds of Pembroke College, Cambridge, which is a unit trust internal to the College, managed by the College alongside its endowment funds.

At 31 March 2018 the Charity held 8,009 units that represented no more than 5% of the total value of the units of Amalgamated Trust Funds of Pembroke College at that date. The Pembroke College Mission's holdings of those units are valued by the College.

**PEMBROKE COLLEGE MISSION**

**NOTES TO THE ACCOUNTS (Cont/d)**

**FOR THE YEAR ENDED 31ST MARCH 2018**

**13. DEBTORS**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Grant, contract and rental income	13,851	46,818
Other debtors	14,206	14,785
	<b>28,057</b>	<b>61,603</b>

**14. CREDITORS: amounts falling due within one year**

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Trade creditors	1,419	4,974
Taxation and social security	-	4,077
Other creditors	4,975	573
Accruals	7,385	11,979
Deferred income (note 17)	4,786	5,850
	<b>18,565</b>	<b>27,453</b>

**15. NET MOVEMENTS IN FUNDS**

	Balance as at 01.04.17 £	Income £	Expenditure £	Gains/ Losses £	Transfers £	Balance as at 31.03.18 £
<b>Restricted funds</b>						
Core salary	-	28,050	28,050	-	-	-
Staff welfare	-	1,050	1,050	-	-	-
Inclusive Dance Project	14,178	10,000	20,807	-	-	3,371
dt17	9,087	33,242	28,400	-	-	13,929
Pembroke Academy of Music	-	23,339	23,339	-	-	-
Community Outreach	5,364	67,691	58,482	-	-	14,573
Youth Activities	12,587	-	3,150	-	-	9,437
Older Person's Lunch Club	6,691	3,832	7,470	-	-	3,053
Community Garden	2,645	-	2,098	-	-	547
Meet Your Neighbour	-	100	100	-	-	-
Arts Award	283	-	-	-	-	283
Music for Babies & Toddlers	-	443	443	-	-	-
Junior PAM	-	1,852	1,206	-	-	646
Refugee Project	356	1,000	1,356	-	-	-
Volunteer Programme	3,060	10,150	13,210	-	-	-
Health and Wellbeing	-	50,000	31,451	-	-	18,549
<i>Capital funds:</i>						
Buildings Development	1,300,604	-	32,802	-	-	1,267,802
Fixtures, Fittings and equipment	15,968	-	3,992	-	-	11,976
<b>Total restricted funds</b>	<b>1,370,823</b>	<b>230,749</b>	<b>257,406</b>	<b>-</b>	<b>-</b>	<b>1,344,166</b>
<b>Endowment funds</b>						
Expendable endowment	1,300,000	-	-	(17,550)	-	1,282,450
	<b>1,300,000</b>	<b>-</b>	<b>-</b>	<b>(17,550)</b>	<b>-</b>	<b>1,282,450</b>
<b>Unrestricted funds</b>						
Designated Funds:						
Future Capital Repairs Fund	135,000	-	-	-	20,000	155,000
	<b>135,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>155,000</b>
General funds	256,284	189,348	179,340	5,962	(20,000)	252,254
<b>Total Unrestricted Funds</b>	<b>391,284</b>	<b>189,348</b>	<b>179,340</b>	<b>5,962</b>	<b>-</b>	<b>407,254</b>
<b>Total funds</b>	<b>3,062,107</b>	<b>420,097</b>	<b>436,746</b>	<b>(11,588)</b>	<b>-</b>	<b>3,033,870</b>

# PEMBROKE COLLEGE MISSION

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE YEAR ENDED 31ST MARCH 2018

#### **Description, nature and purpose of restricted funds:**

**Core salary** – contribution towards the salary of the Director of Projects and Strategy to manage the Charity's projects and encourage cross-fertilisation between them, including overseeing their evaluation.

**Staff welfare** – contribution towards staff welfare cost.

**Inclusive Dance** – a programme to enable learning-disabled young people aged 16 to 25 to grow in confidence and independence by learning movement and social skills through performing arts.

**dt17** – An after school programme that uses extensive on-street outreach to involve a disengaged cohort of local young 9-13 year olds in a process of learning and co-operation through dance.

**Pembroke Academy of Music** – an open access music education programme for young people aged 7 to 16 providing high quality music tuition in a range of musical disciplines to encourage love of music and to help students grow in confidence and teamwork.

**Community Outreach** – a training programme to support and sustain resident involvement in East Walworth and its institutions

**Youth Activity** – a fund for the benefit of projects assisting young people.

**Older Persons' Lunch Club** – a weekly lunch club creating an engaging environment and fostering inter-generational friendships through food, exercise and recreational activities.

**Community Garden** – a resource for local residents to learn about and engage in gardening where they might not have the opportunity to do so, whilst at the same time benefitting from its benefits to wellbeing.

**Meet Your Neighbour** – activities that bring together the diverse residents of Walworth, reducing social isolation, strengthening community cohesion and providing access to cultural experiences.

**Arts Award** – supporting young people to gain the Arts Award qualification.

**Music for Babies & Toddlers** – weekly singing and music sessions for pre-school children and their carers, followed by tea and chat to enable people to get to know each other.

**Junior PAM** – offers an introduction to singing, music notation and musicianship to children aged 5 to 7.

**Refugee project:** one-off activities aimed at supporting refugees.

**Volunteer Programme** – contribution towards the cost of employing a Volunteer Manager to run the volunteer programme.

**Health & Wellbeing** – Community level approaches to improve the lives of people living with multiple long term conditions

**Buildings development** – Grants and donations received towards the re-development of Pembroke House. This fund is being depreciated.

**Furniture, fixtures and equipment** – Grants and donations received towards purchase of furniture, fixtures and equipment. This fund is being depreciated over the estimated useful life of the assets.

#### **Description, nature and purpose of endowment fund:**

**Expendable endowment** - this was established in 1966, when the Charity agreed to relinquish its ownership of land on Barlow Street (now Tatum Street) to Southwark Council in exchange for ownership over two properties elsewhere on Barlow Street.

The Trustees have the power to convert all or part of the fund's capital into income and this income is to be spent at their discretion.

St. Christopher's Church is integral to the life of Pembroke House. The Vicar of the Parish is also Diocese of Pembroke House and the post of Vicar is funded by the Church of England, Diocese of Southwark. The Warden rents one of the Charity's investment properties at a market rate.

# PEMBROKE COLLEGE MISSION

## NOTES TO THE ACCOUNTS (Cont/d)

### FOR THE YEAR ENDED 31ST MARCH 2018

#### Description, nature and purpose of designated funds:

**The Future Capital Repairs Fund** – this covers the cost of normal running repairs and additional works planned over a 3 year period across Pembroke House's property assets. In October 2015 the Trustees agreed to increase the fund by £20,000 per annum until 2019 in response to the Inspecting Architect's advice in 2014 that the roof would be good for another 5 years but may need to be replaced in 2019 at a cost of around £140,000 at (then) current rates. This fund provides for the upkeep of Pembroke House, the Residency and the Tatum Street investment properties.

#### Description, nature and purpose of unrestricted funds:

**General funds** – General fund represents funds available to spend at the discretion of the Trustees.

#### 16. ANALYSIS OF FUND BALANCES BETWEEN NET ASSETS

	<b>General Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Tangible fixed assets	20,940	-	1,280,136	-	1,301,076
Investments	53,262	155,000	-	1,282,450	1,490,712
Net current assets	178,052	-	64,030	-	242,082
	<u>252,254</u>	<u>155,000</u>	<u>1,344,166</u>	<u>1,282,450</u>	<u>3,033,870</u>

#### 17. DEFERRED INCOME

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Balance as at 1 April	5,850	18,103
Amount released to income in the year	(5,850)	(18,103)
Amount deferred in the year	4,786	5,850
Balance as at 31 March	<u>4,786</u>	<u>5,850</u>

Deferred income represents rental income for 2018/19 received in advance.

#### 18. RELATED PARTIES

St. Christopher's Church is integral to the life of Pembroke House. The Vicar of the Parish is also Warden of Pembroke House and the post of Vicar is funded by the Church of England, Diocese of Southwark. The Diocese rents one of the Charity's investment properties at a market rate.

The Charity's objects include the promotion of Christianity through its connection with Pembroke College, Cambridge. The Trustees include representatives from Pembroke College, Cambridge.

#### 19. POST BALANCE SHEET EVENTS

The Charity Trustees have set up a new charitable company Pembroke College Settlement, incorporated on 26 January 2017 and registered with the Charity Commission on 9 April 2018. The Trustees intend to transfer the assets, liabilities and activities of Pembroke College Mission to the Pembroke College Settlement. The transfer will be made when the legal work relating to this process is completed.