THE MASTER (OR KEEPER) AND FELLOWS OF PETERHOUSE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales · Charity number 1137457

Details

Other names	PETERHOUSE
Status	Registered
Legal form	Other
Registered	2010-08-12
Register	View on the Charity Commission register

Contact

Address	Peterhouse Cambridge CB2 1RD
Phone	01223338200
Email	bursar@pet.cam.ac.uk
Website	www.pet.cam.ac.uk

Activities

Objects: FOR THE PUBLIC BENEFIT, TO ADVANCE EDUCATION, RELIGION, LEARNING AND RESEARCH THROUGH THE PROVISION OF A COLLEGE IN THE UNIVERSITY OF CAMBRIDGE.

Activities: Peterhouse is the oldest of the 31 colleges within the University of Cambridge and is dedicated to the advancement of education, religion, learning and research.

Classification

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

Downloaded from opencharities.uk/ew/1137457

Geography

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

Finances

Period end	Income	Expenditure	Assets	Employees
2025-06-30	£17,080,000	£17,565,000	£417,304,000	221
2024-06-30	£17,606,000	£15,309,000	£361,266,000	205
2023-06-30	£13,952,000	£15,448,000	£350,312,000	205
2022-06-30	£13,617,000	£14,637,000	£355,293,000	188
2021-06-30	£12,407,000	£13,296,000	£355,237,000	170

Downloaded from opencharities.uk/ew/1137457

Trustees

Name	Role	Appointed
PROF ANDREW PARKER	Chair	2023-07-01
Alia Carina Nunes dos Santos Dr		2026-04-27
DR NICK ZAIR		2017-10-01
DR TIMOTHY KEITH DICKENS		2013-09-17
Dr ALEXANDER JOHN WHITE		
Dr ANDRAS ZSAK		
Dr ANTARA HALDAR		2014-10-01
Dr Adrian Patron		2024-10-01
Dr Alex Thom		2023-11-27
Dr Alireza Mashayekhi		2023-10-01
Dr Andrew Grainger		2024-10-01
Dr CHRISTOPHER GORHAM LESTER		
Dr Doyle David Calhoun		2024-10-01
Dr Fani Memi Dr		2026-04-27
Dr GRAHAM CHRISTIE		2016-10-01
Dr Geraint Llyr THOMAS		2018-09-01
Dr Holly Elizabeth Porter		2022-05-02
Dr JAMES NICHOLAS BENEDICT CARLETON PAGET		
Dr JAMES PETER TALBOT		2013-02-22
Dr JENNIFER MADGE BRAIDWOOD WALLACE		
Dr Justin Gerlach		2022-05-01
Dr Laura Suzanne Slater		2019-10-01
Dr MAGNUS JEROME RYAN		
Dr Michal Gath-Morad		2024-01-23
Dr ROBERT IAN ROSS RUSSELL		
Dr SOPHIE LUNN-ROCKLIFFE		2016-10-01

Downloaded from opencharities.uk/ew/1137457

Name	Role	Appointed
Dr Timothy Rittman		2022-05-03
Dr Tomislav Plesa		2021-10-09
Edward Davies		2024-10-01
IAN NICHOLAS MOLYNEUX WRIGHT		2013-01-17
PROF PAUL ANTHONY MIDGLEY		
PROFESSOR BRENDAN PETER SIMMS		
PROFESSOR Mari Catrin Jones		1993-10-01
Professor JOHN ERNEST ROBB		2015-10-01
Professor Jennifer Thornhill Richards		2023-10-01
Professor PHILIP CHARLES WOODLAND		
Professor Richard James Holton		2013-09-17
Rev Dr STEPHEN WILLIAM PETER HAMPTON		
SCOTT HOWARD MANDELBROTE		
Sally Faulkner Professor		2024-10-01
Simon Francis Deakin		
TENG LONG Professor		2017-01-05

Linked charities

- PETERHOUSE LIBRARY CHARITY LIMITED (1137457-1)

Downloaded from opencharities.uk/ew/1137457

THE MASTER (OR KEEPER) AND FELLOWS OF PETERHOUSE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137457

Accounts

PETERHOUSE

FOR THE YEAR ENDED

30 JUNE 2025

Contents

	Page
Reference and Administrative Details	2
Senior Officers and Advisors	3
Operating Review	4 - 6
Financial Review	7 - 11
Corporate Governance and Statement of Internal Control	12 - 13
Responsibilities of the Governing Body	14
Report of the Auditors	15 – 17
Statement of Principal Accounting Policies	18 – 24
Consolidated Statement of Comprehensive Income and Expenditure	25
Statement of Changes in Reserves	26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Accounts	29 – 48

PETERHOUSE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2025

Address

Peterhouse
Trumpington Street
Cambridge
CB2 1TP

Charity Registration number: 1137457

Members of the Governing Body who served during the year

Professor M.A. Parker (Master)

Dr S.N. Solomou
Professor P.C. Woodland
Professor S.F. Deakin
Professor S.E. Jackson
Professor B.P. Simms
Professor M.C. Jones
Dr J.N.B. Carleton Paget
Dr J.M.B. Wallace
Mr S.H. Mandelbrote
Dr A.J. White
Professor P.A. Midgley
Dr R.I. Ross Russell
Dr M.J. Ryan
The Revd Dr S.W.P. Hampton
Dr A. Zsák
Dr C.G. Lester
Mr I.N.M. Wright
Dr J.P. Talbot
Dr T.K. Dickens
Professor R.J. Holton
Dr A. Haldar
Professor J.E. Robb
Dr S.J. Lunn-Rockcliffe
Dr G. Christie
Professor T. Long
Professor N.A.S. Zair
Dr G.L. Thomas
Dr L.S. Slater
Dr T. Plesa
Dr G. Gerlach
Dr H. Porter
Dr T. Rittman
Professor J.T. Richards
Dr A. Mashayekhi
Professor A.J. Thom
Dr M. Gath-Morad
Dr D.D. Calhoun
Dr A. Lerner Patron
Dr A.J. Grainger
Professor S. Faulkner
Mr E.A. Davies

PETERHOUSE
SENIOR OFFICERS AND ADVISORS
FOR THE YEAR ENDED 30 JUNE 2025

Current Senior Administrative Officers

Master:	Professor M.A. Parker
Senior Tutor:	The Revd Dr S.W.P. Hampton
Senior Bursar:	Mr I.N.M. Wright

Principal Legal Advisers

Mills & Reeve
Francis House
112 Hills Road
Cambridge
CB2 1PH

Property Managers

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Encore Group
2 Hills Road
Cambridge
CB2 1JP

Investment Advisors/ Fund Custodian

Canaccord Asset Management Ltd
50 Station Road
Cambridge
CB1 2JH

AJ Bell Investcentre
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Auditors

Price Bailey LLP
Chartered Accountants and Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers

Barclays Bank PLC
Cambridge Business Centre
Cambridge
CB2 3PZ

Tax Advisor

PEM
Salisbury House,
Station Road
Cambridge
CB1 2LA

PETERHOUSE
OPERATING REVIEW
FOR THE YEAR ENDED 30 JUNE 2025

Introduction

The commentary that follows is intended to give the readers of the financial statements an overview of the finances and operations of Peterhouse and its subsidiaries.

The College is preparing its financial statements in accordance with Recommended Cambridge College Accounts (RCCA) format which has adopted FRS 102.

Scope of the Financial Statements

The consolidated financial statements cover the education, research and religious activities of Peterhouse and also its subsidiary companies. These subsidiaries undertake activities which for legal or commercial reasons are more appropriately carried out by limited companies. The subsidiary companies are listed in note 10.

About the College

Peterhouse is an autonomous, self-governing community of scholars and is the oldest of the 31 colleges within the University of Cambridge.

Formally "The Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge", Peterhouse is a charitable corporation established by Letters Patent dated 31 March, 1284 and granted royal assent by Charter of King Edward I on 28 May, 1285. The College is a registered charity (No. 1137457), with its principal address at Trumpington Street, Cambridge, CB2 1RD.

The College is governed in accordance with its Statutes, published in 1926 and variously amended from time to time by Order of Her Majesty in Council. The Statutes of the University of Cambridge and specific legislation covering the University of Cambridge also apply to the College.

The Statutes of the College lay down the constitution and arrangements for governance of the College. They describe, among other things, the membership and responsibilities of the Governing Body; the election and duties of the Master; the election, admission, tenure and removal of Fellows; and the appointment and duties of College Officers. The Statutes are supplemented by orders for the regulation of the College's affairs, made by the Governing Body in accordance with the Statutes.

The Visitor of the College is the Bishop of Ely.

Aims and objectives of the College

The "laudable design" of Hugo de Balsham, as expressed in the College's founding instruments, was "to introduce scholars in the schools, who are to live together and study in the University of Cambridge; to dwell in the same [College] for ever, and employ themselves with appropriate study, to the praise of God and the perpetual augmentation of the same university."

This forms the basis for the College's statutory purpose, namely to advance education, religion, learning and research through the provision of a College in the University of Cambridge.

As part of a collegiate university, the long-term success of the College, as a centre of academic and educational excellence, is dependent upon the continuance of the University of Cambridge's world-class standing.

Public benefit

The College pursues its charitable objects (to advance education, religion, learning and research) for the public benefit through a wide variety of activities, including:

- admitting undergraduates from a diverse range of educational, social and cultural backgrounds for University courses and admitting graduate students from those accepted by the University;
- providing, in conjunction with the University, a world-class education for undergraduates, particularly through College-based individual or small-group supervision and direction of studies;
- supporting students financially and rewarding excellence and achievement through the provision of bursaries, scholarships, prizes and a range of grants, as well as assisting students in particular financial hardship;
- providing pastoral, administrative and academic support for both undergraduates and graduate students through the Tutorial system and other welfare mechanisms;
- providing library, computing, cultural, musical, sporting and social facilities to enable students to achieve their full potential both academically and otherwise;
- supporting students and Fellows by providing accommodation, catering and other services which also underpin the concept of a multi-disciplinary academic community;
- promoting academic research of the highest quality through annual competitions for election to Research Fellowships and Research Studentships, through supporting the research activities of both Fellows and graduate students, and welcoming academic visitors from other institutions;
- maintaining services in the Chapel regularly during Full Term, promoting the activities of the Choir and fostering the spiritual welfare of College members irrespective of denomination or faith;
- preserving and enhancing the endowments and benefactions, historic buildings and grounds of the College for the benefit of future generations;
- providing access to some of the College's facilities and educational resources to conference guests and also to the general public at times when they are not in use by College members.

Funding

The sources of income of Peterhouse are:

- Fees charged to students for tuition, accommodation and use of other College facilities and services;
- Income from services provided to external customers, including conference activity;
- Benefactions and donations for current use;
- Investment income from our accumulated endowment and other assets.

Achievements and performance

Education
The College continues to deliver teaching to support the University courses and examinations, and this was delivered in-person.

81 full time undergraduates were admitted in the year 2024-25 (2024:85), bringing the total across all years to 301 (2024: 293); the new intake can be broken down as to 49%/51% (2024: 49%/51%) arts and sciences; the intake was composed of 58 (2024: 62) Home students and 23 (2024: 23) Overseas students; applicants are assessed on the basis of their potential as well as their achievements to date. The number of graduate students on the College's books totalled 203 (2024: 193), of whom 132 (2024: 136) were fee paying.

The College aims to provide supervision and direction of studies by its own Fellows in most of the principal subjects offered by the University; the existing Fellowship, who offer expertise in a wide range of subjects, continued to provide this, largely through small group supervision.

Most students were able to take examinations this year; 254 (2024: 250) undergraduates sat classed University examinations in 2025; 218 (2024: 203), or 85.8% (2024: 81.2% obtaining grades in the First Class or the upper division of the Second Class (or in the undivided Second Class); in the other examinations there were 11 Passes (2024:14); 43 graduate students successfully completed an MPhil or other one-year graduate course (2024: 41), 4 (2024: 6) completed clinical studies and 30 (2024: 30) satisfied the requirement for the degree of PhD.

74 (2024: 80) undergraduates – some 33.9% of those potentially eligible – received means-tested awards totalling £248k (2024: £251k) under the centralised Cambridge Bursary Scheme, with 32 (2024: 37) of the awards at the maximum value. The scheme is intended to ensure that no Home student should be deterred from applying to Cambridge because of financial considerations. The College also ran its own Overseas undergraduate scholarship scheme and supported 8 non-Home students (2024: 7) with means-tested awards totalling £182k (2024: £147k).

The Tutors deployed a further £248k (2024: £203k) to make loans and grants to support undergraduates facing particular financial hardship. Last year's delay in marking resulted in more prizes being awarded this year. Scholarships and prizes worth some £68k (2024: £92k) were awarded by the Governing Body to recognise and reward excellence and achievement. Grants for travel were £60k (2024: £59k) and £5k of grants to support student wellbeing were also awarded (2024: £8k).

The College made grants totalling £80k (2024: £77k) to its official student bodies, the Sexcentenary Club (JCR) and Graduate Society to enable them to provide social and sporting support to their members.

The Ward Library added a further 1,367 (2024: 1,688) volumes during the year, on the recommendation of both Fellows and students and as a result of generous gifts; and the College continued to expand its Library e-books services. Further improvements to facilities and accommodation were made: the completion of the part refurbishment of Cosin Court; a landscaped disabled access to the Master's Lodge continued the remodelling of the College site in-line with a longer term Masterplan. There was also a separate programme of small works to improve kitchens and bathrooms in a number of properties used for student accommodation. Finally, works to provide heating and hot water through a ground source heat pump to Cosin Court were begun, together with the continuation of a phased refurbishment of the building to update the interiors and improve thermal insulation. This an important step in the College's plans to transition to Net Zero carbon emissions by 2048.

Research
Two Research Fellows specialising in English and Mathematics were appointed through the annual competition, each for an initial three year term, which took the total number of Research Fellows to 8 (2024: 8). These Fellowships enable outstanding academics at the early stages of their careers to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.

On the recommendation of the Research Studentships Committee 2 (2024: 4) Research Studentships were awarded to new graduate students on the basis of merit to cover their academic fees and maintenance expenses, bringing the total to 12 (2024: 13) and the annual cost of the scheme to £261k (2024: £354k). The Tutors made other grants and awards totalling £90k (2024: £91k) to graduate students in order to offset research and maintenance expenses.

Research allowances totalling £57k (2024: £63k) were provided in support of Fellows' research activities. 3 Teaching Fellows (two in Modern & Medieval Languages, and one in History), 1 Visiting Fellow (in Anthropology), and 2 Senior Research Associates (one in Philosophy, and one in Mathematics), were appointed for varying terms. 3 Research Associateships were also granted to post-doctoral workers at the University.

Religion
The Chapel occupied its usual place at the heart of the College's spiritual life, with a variety of religious services taking place regularly during Full Term, underpinned by Peterhouse's strong choral tradition. The College hosted a number of events including a local Choral Academy. The College was able once again to support an annual spiritual retreat for its junior members and a Choir tour to Czechia.

Additional information about the College's activities can be found in the Peterhouse Annual Record and the College newsletter, as well as on its website (www.pet.cam.ac.uk).

PETERHOUSE
FINANCIAL REVIEW
FOR THE YEAR ENDED 30 JUNE 2025

The financial statements for the year to 30 June 2025 have been prepared in accordance with the Recommended Cambridge College Accounts (RCCA) format and the external auditors' opinion is unqualified. The College's two wholly-owned subsidiaries have been consolidated. The two subsidiaries are: Peterhouse Enterprises Limited (PEL), which is engaged in property development, and Peterhouse Conferences and Events Limited, which manages certain Catering and Conference activities undertaken by the College in order to raise funds to further its charitable aims.

The College seeks to run the operating income and expenditure account at breakeven over the long term whilst gradually growing spend on its charitable activities and investing appropriately in its stock of buildings and operational infrastructure. To this end the College has continued to seek to expand and improve the range of services it offers to all its students and its research community. The recent surge in inflation and the associated high energy prices have impacted on the finances of the College and the wider University sector and will continue to do so. The College continues to address these challenges by seeking to minimise energy costs and by investing in energy efficient technologies (subject to constraints due to its stock of listed buildings) and by seeking the most effective and efficient way of delivering services.

The College remains committed to maintaining and preserving the historic buildings that underpin its charitable objectives and enrich its community. The College also seeks to maintain and gradually enhance its stock of operational properties, and has carried out a number of substantial projects during the year, including a programme of small bespoke works to improve kitchens and bathrooms in undergraduate accommodation (in Tennis Court Terrace and Fitzwilliam Street), and the completion of a further phase in the refurbishment of Cosin Court, which will improve the quality and energy efficiency of graduate accommodation. Part of the refurbishment of Cosin Court includes the provision of heating and hot water through a ground source heat pump. These works were begun in the year and marked an important step in the College's plans to transition to Net Zero carbon emissions by 2048. In line with the College's strategic plan to develop and re-model the eastern side of the main College site and its Library, the College completed works to provide a landscaped disabled Access to the Master's Lodge.

This year the College showed an overall underlying accounting deficit before donations of £1,407k. The deficit decreased by £110k on the previous year in spite an increase of £347k in recurrent depreciation costs arising from a revaluation of the College's land and buildings. There was an increase in income in all areas. Expenditure also rose as it continued to reflect ongoing staff cost increases as well as the increasing costs of maintaining the College's buildings. However, after adjusting for an exceptional write off of accrued interest (£481k) associated with the endowment portfolio, the deficit before donations is £1,888k. This deficit is £1,494k more than last year, as there was an exceptional favourable movement on the USS pension liability (£1,123k) last year.

The underlying deficit before donations partly reflects the fact that a number of initiatives are now being directly funded by gifts and donations. After adjusting for donations and endowments, the College showed a surplus of £406k. A change in market sentiment has lowered year end property valuations and this has caused in losses on investments and assets (£5,845k) that have resulted in an overall deficit for the year of £5,439k.

Simplified Income and Expenditure	**2025 Total £'000**	**2024 Total £'000**
Total income before donations and endowments*	15,552	14,915
Total expenditure	(16,959)	(16,432)
(Deficit) before donations and USS provision	**(1,407)**	**(1,517)**
USS provision	-	1,123
Net accrued interest written off	(481)	-
(Deficit) before donations	**(1,888)**	**(394)**
Donations	1,658	901
New endowments	636	2,588
Surplus before other gains and losses	**406**	**3,095**
(Losses)/gains on investments and assets	(5,845)	7,716
(Deficit)/Surplus for the year	**(5,439)**	**10,811**

* includes gains on investments applied to income

Income/Expenditure

Income from Academic Fees and Charges increased by 8.5% (2024: 6.3% increase) on the prior year reflecting a rise in both the number of unregulated fee-paying undergraduates and graduates. Income from Accommodation, Catering and Conferences rose by 4.8% or £179k on the prior year (2024: 11.7% increase or £387k). Income from College Members increased as a result an increase in student charges to reflect inflation, together with changes in student occupancy. Conference activity remained flat year on year. Endowment income rose 3.1% or £233k; this resulted from a combination of one-off increases and back rents from the property portfolio together with a new letting at the Peterhouse Technology Park. Donations and new endowments continue to perform well, although new endowments (£636k) were not at the same level as last year (£2,588k); last year included a very significant individual legacy. Overall total College income after donations and endowments was £17.1m (2024: £17.6m).

The College's total expenditure rose by £2,256k or 14.7% (2024: £139k or 0.9% increase). However, if the effects of the release of USS provisions (£1,123k) are excluded, then there was an increase of £1,133k or 6.9% (2024: £964k or 6.2% increase). The most significant factors were a "one-off" exceptional write off of accrued interest (£606k) and increases in the costs of cyber security measures, repairs to buildings, and staff.

The total depreciation charge for the year rose by £458k. The land and buildings of the College were revalued at 1 July 2024 and this accounted for approximately £371k of the increase. Therefore, excluding this £371k effect from the comparative, there was a further increase of £87k in depreciation year on year (2024: £71k).

Staff costs and pensions

Total staff costs (academic and non-academic) remain the most significant cost category for the College at £6.8m (2024: £5.1m). Staff costs excluding USS actuarial adjustments to the pension schemes under FRS102 increased by £547k or 8.7% (2024: £343k or 5.8%). This reflected the cost of living increases and awards for the year; the filling of vacancies; the recruitment to a modest number of funded posts; the cost of sabbatical cover; the ongoing impact of auto-enrolment; the increases in national insurance contribution rates; and the College's continued commitment to paying its staff at least in line with the Real Living Wage.

The staff CCFPS pension scheme still remains significantly in deficit (under FRS102) in 2025, although the deficit decreased by £230k (2024: decreased by £211k). The changes in actuarial assumptions underlying the plan liabilities are the key driver of the decrease in the deficit; these changes were due to the discount rate and inflation rate assumptions applied to the scheme's liabilities. This scheme is closed to new entrants.

The College includes a share of the USS Scheme's current deficit. Under FRS102 the College is obliged to account for it under money purchase scheme rules, although it is a multi-employer defined benefit scheme. 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%. As set out in note 23, 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 Consolidated Statement of Comprehensive Income and Expenditure last year. No provision or adjustment this year, but the change to the recovery plan following the latest revaluation assumptions resulted in a £1,123k credit being recognised in the Consolidated Statement of Comprehensive Income and Expenditure last year. Details of this scheme and the CCFPS scheme are included in notes 16 and 23.

Overall the pension scheme liabilities measured under FRS102 have decreased by 17.6% from £1.4m to £1.1m (2024: decreased by 48.1% from £2.7m to £1.4m).

Capital expenditure

The College continued its refurbishment of Cosin Court. Some £2.4m has been spent partly upgrading accommodation and installing a ground source heat pump to provide hot water and heating for the Cosin Court. These works mark an important step in the College's plans to transition to Net Zero carbon emissions by 2048. The College completed the landscaped disabled access to the Master's Lodge as part of the remodelling of the eastern part of the College site in-line with a longer term Masterplan. The College carried out a programme of small bespoke works to improve kitchens and bathrooms in undergraduate accommodation (in Tennis Court Terrace and Fitzwilliam Street).

The College takes very seriously its responsibility to maintain the College's operational buildings, most of which are listed and of historic importance, to ensure their compliance with new regulations, and to meet higher energy efficiency standards. An example of this is the College's initiative to reduce its carbon footprint and energy costs by installing a "smart" energy management platform to control individual radiator temperatures and energy usage across the College sites in a more efficient and granular way than has previously been possible. Whilst energy efficiency is one aspect of the challenge facing the College, the age and nature of the buildings continues to generate unexpected issues; for example the discovery of the severe cracking of a major structural beam in Old Court will necessitate major works next year. Therefore, the programme of works to maintain and improve College's operational buildings continues to be a significant financial burden on the College.

The College continues to invest in its IT infrastructure and software; during the year the College invested heavily into College wide security and door entry systems.

Endowment and investment performance

The College's survival in its present form is dependent on its endowment capital, which contributes over half its income and has additionally to absorb deficits and provide the funds for necessary building works. The College's investment objective, implemented under the supervision of its Estates & Investments Committee, is to manage its endowment to produce a steadily rising income stream whilst ensuring the long-term preservation of capital value in real terms.

The composition and performance of the College's endowment is summarised in the table below:

	2025 £'000	2024 £'000
Property	173,118	179,550
Pooled property funds	3,598	3,519
Equities	79,272	75,405
Cash, loans and fixed interest securities	276	2,657
Cash in hand and at investment managers	141	192
Other Cash (owed by)/held for the Endowment	5,624	3,164
Total Investments	**262,029**	**264,487**
Loans	(25,891)	(25,887)
Net Endowment Assets	**236,138**	**238,600**

Endowment return and investment income	**2025** **£'000**	**2024** **£'000**
Income from:		
Land and buildings	5,502	5,024
Pooled property funds	205	218
Equities	1,828	1,833
Other interest receivable	291	518
Total income	**7,826**	**7,593**
Equities management costs	(75)	(100)
Accrued interest written off	(606)	-
Direct costs of property management, agency fees and maintenance	(750)	(855)
Net income before financing costs	**6,395**	**6,638**
Interest and finance costs	(1,158)	(1,156)
Total net income after financing costs	**5,237**	**5,482**
Capital losses and gains and receipts on investments	(4,954)	8,514
Total return for Net Endowment	**283**	**13,996**

The College has adopted total return accounting for its marketable securities portfolio to provide a smooth and stable stream of income. This policy to has a better fit with the College's strategic approach to its equities portfolio by allowing the College more flexibility to invest in line with its Environmental, Social and Governance (ESG) policy.

Property values fell this year principally due to the College's holdings in commercial offices and lab space in Cambridge where there was a significant change in market sentiment in the year. Equities rose in value during the year in-line with the wider markets, but these did not offset the fall in values of the College's property.

The fall in direct costs of property management were caused by a fall in repair and legal costs. These savings were more than offset by a one-off write down of accrued interest from a residential property development that was realised during the year at a lower-than-expected return to the College group due to difficult market conditions for residential development.

Reserves

Peterhouse's unrestricted funds at the year-end amounted to £387.3m (2024: £333.3m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by a large part of the investment portfolio. The operational buildings and land were revalued by Gerald Eve at the beginning of the year and this accounts for a rise of £61.3m. The Governing Body believes that reserves on this scale are necessary for the College to meet its charitable objectives and to provide the underlying stability for the institution to operate in perpetuity. The Governing Body is mindful to maintain an equitable balance between the interests of current members of the College and future generations.

Risk Management

The Governing Body has the overall responsibility for identifying and managing the major risks facing the College. Discussion of risks are a routine part of the work of the Governing Body and the associated College Committees. A formal high-level risk register is maintained by the Finance Committee and reviewed on an annual basis by the Governing Body. In addition to this, other College Committees review and discuss individual risks which fall within their respective terms of reference on a more frequent basis. College Committees also develop and update College policies to manage and mitigate risks as and when appropriate. Responsibility for the implementation of College policies is delegated to the relevant College Officers and members of staff.

Fundraising

The existence and success of Peterhouse is a reflection of the outstanding generosity over time of Petreans and other benefactors. The College's development campaign continued to make a valuable contribution over the year, with donations and legacies of £2.3m (2024: £3.5m). Of this, £636k was raised for permanent endowments (2024: £2,588k). The combined net costs of fundraising and member relations was £351k (2024: £391k).

During the year the College appointed a new Development Director who will be seeking to grow further the fundraising efforts in the coming years to meet a range of identified needs.

The College is registered with the Fundraising Regulator and adheres to its Code of Practice. The College does not use external professional fundraisers and carries out fundraising activities through its Development Office, in collaboration with Cambridge University Development and Alumni Relations Office as appropriate. In addition to seeking financial and other support for the College, the Development Office is also responsible for alumni relations. Fundraising techniques used include face-to-face meetings, the promotion of legacy giving, annual telephone campaigns and occasional mass mailings to members of the College's community. The College takes very seriously its responsibility to ensure that its assets and resources are used only for the purposes for which they were given. The College does not engage in intrusive or unreasonably persistent methods of fundraising and training is given to all individuals who undertake fundraising activities to ensure that they know how to handle an obviously vulnerable person. There have been no formal complaints made about fundraising (prior year none).

Principal risks and uncertainties

Peterhouse faces a range of risks in meeting its charitable purposes which include financial, operational and reputational risks. These include its long-term ability to attract the best staff and students, to maintain and develop its research and educational offering, and to conserve, refresh, and renew its physical facilities. In addition, the College faces reputational risks in a world where modern communication methods have resulted in higher levels of transparency and scrutiny in wide range of areas. To help manage some of the risks associated with communications, the College appointed a dedicated central Communications Officer to support and improve the effectiveness of its external communications, including through digital channels.

The College has continued to invest in a range of measures to improve further the pastoral support it offers its students. It seeks to foster a supportive and collegiate culture amongst Fellows, students and staff.

The College also seeks opportunities to contribute positively to the communities in which it operates and takes seriously its responsibilities as a landowner and landlord to many private tenants. It carries out a range of civic engagement at various levels and see to take a positive approach with local stakeholders outside of the University.

While Peterhouse is fortunate in being a relatively well-endowed College, it continues to face financial challenges many of which are common to the University and other Cambridge colleges.

The Covid recent pandemic, the Ukraine war, and subsequent energy price shock and associated inflation, and other unexpected geopolitical developments haves made the political, economic and educational landscape increasingly uncertain.

Peterhouse seeks to respond to these financial challenges by focussing on efficient financial management of its operational activities, and the prudent stewardship of its endowment assets for the long term. However, if it is to develop further the activities that are critical to its mission such as key teaching posts, research studentships, and to continue to progress its capital expenditure plans across its substantial operational estate, the College will need to raise additional funds over the coming years.

Plans for the future

The College aims to pursue and develop its existing strategy, with a particular focus over the next few years on:

- A review of its Fundraising strategy under our new Development team;
- Continued support of its Research Fellowship and Research Studentship scheme to offer financial support for the most talented early-career academics and graduate students;
- A continued focus on the College's Admissions and Outreach initiatives to attract outstanding applicants for undergraduate and graduate courses from a diverse range of educational, social and cultural backgrounds;
- The development of its Overseas scholarship programme for gifted undergraduate students who do not qualify for the Home-student fee rate; and
- Investment in its operational and non-operational estate to prepare for a transition to Net Zero carbon emissions by 2048, with as aspiration to do so well before this date.

PETERHOUSE
CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 30 JUNE 2025

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

2. The College is a registered charity (registered number No. 1137457) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

3. The Trustees are Governing Body which is advised in carrying out its duties by a number of Committees.

   a. Governance Committee
   b. Remuneration Committee
   c. Finance Committee
   d. Estates and Investments Committee
   e. Development Committee
   f. Education Committee
   g. Admissions Committee
   h. Examination Failures Committee
   i. Grants Committee
   j. Honorary & Visiting Fellowships Committee
   k. Research Studentships Committee
   l. Research Fellowships Committee
   m. Travel Grants Committee
   n. Charitable Applications Committee
   o. Co-Ordinating Committee
   p. Peterhouse Boat Club Fund Management Committee
   q. Staff Committee
   r. Food and Wine Committee
   s. Buildings, Fabric and Gardens Committee
   t. IT Committee

4. The principal administrative Officers of the College are the Master, the Senior Bursar, and the Senior Tutor.

5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal system of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Finance Committee includes: the Chairman (a Fellow of the College), Senior Tutor, Senior Bursar, Steward and several other Fellows of the College.

6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are routinely made at all College committee meetings.

7. The College's Trustees (Members of the Governing Body) during the year ended 30 June 2025 are set out on page 2.

8. The Trustees are the Governing Body which is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.

9. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

10. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2025 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes and procedures have been established:

a. The Governing Body meets regularly (typically 13 times) throughout the year to consider the plans and strategic direction of the College; it also reviews and approves the annual financial results and budget for the year ahead.
b. The Governing Body receives interim reports from the Finance Committee which reviews key financial information and statistics on an ongoing basis, including quarterly progress against budget.
c. A Committee Structure has been put in place to review key areas of College activity.
d. Appropriate levels of segregation of duties have been established together with authority limits. These are reviewed periodically.
e. Two Fellows (not already on the Finance Committee) review and audit the College accounts in detail, and provide an independent report on their findings to the Governing Body.
f. A Business Analyst has been employed to review and improve the internal systems and controls.
g. The Finance Committee regularly reviews the College's five-year financial forecast to assist with medium-term financial planning.

11. A Fellow on the Governing Body was designated SIRO (Senior Information Risk Officer) and is responsible for reporting to Governing Body on data protection and information risk issues.

12. The Governing Body's review of the effectiveness of the system of internal control is informed by the work of various Committees, the Senior Bursar, and other College Officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

PETERHOUSE
RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2025

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the Governing Body of the Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge

M.A. Parker

Professor M.A. Parker
Master

Mr I.N.M. Wright
Senior Bursar

Date: 24 November 2025

Opinion
We have audited the financial statements of Peterhouse College (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 group's and College's affairs as at 30 June 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly 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.

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 and College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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 other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 themselves. 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.

Matters on which we are required to report by exception

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:

- the information given in the financial statements is inconsistent in any material respect with the report of the Governing Body; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, 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

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

We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.

- We reviewed minutes of Finance, College Council and Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.

- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organization.

- We reviewed the risk management processes and procedures in place including reporting of risk management to the College Council.

- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Governing Body, in accordance with College's statutes, the Statutes of the University of Cambridge and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP.

PRICE BAILEY LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 26 November 2025

Price Bailey LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006..

Statement of Principal Accounting Policies

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 Consolidated 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 4.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 10. Intra-group balances are eliminated on consolidation.

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. The costs of any fees waived or written off by the College are included as expenditure.

Grant income
Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated 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 Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

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 Consolidated 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.

Statement of Principal Accounting Policies (continued)

Recognition of income (continued)

Donations and endowments (continued)

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 Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

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 operates a total return policy with regard to its quoted securities and pooled property funds. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the market value of the quoted securities and pooled property funds. The actual rate of spending for 2025 when measured against a three year trailing average value was 3.25% (2024: 3.25%).

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

Foreign currency translation

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.

Fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets, including the majority of our operational buildings, that had been revalued to fair value on or prior to 1 August 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Gerald Eve LLP performed a valuation in the year for the Land and Buildings of the College. These assets have been taken back to cost and the useful economic lives have been re-set to range between 5 to 150 years and are depreciated on a straight-line basis.

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

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.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Additions to Freehold Buildings, in the form of capitalised refurbishment works or new buildings, are depreciated on a straight line basis over their expected useful lives of 50 years.

Buildings 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.

Statement of Principal Accounting Policies (continued)

Fixed assets (continued)
The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £3,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10.0% per annum
Computer equipment	25.0% per annum
Motor vehicles	20.0% per annum

Leased assets
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.

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 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and also the volume of items and valuation issues mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 August 2014 and valued at over £10k are capitalised and recognised in the Balance Sheet at the cost or, where the assets are donated, at valuation on receipt of these assets where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Expenditure which is required to preserve or prevent further deterioration of individual items within the heritage assets is recognised in the Consolidated Statement of Comprehensive Income and Expenditure when it is incurred. The Colleges' management policy in respect of its heritage asset is summarised in note 9.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

For the purposes of the group accounts disposals of all interests in land (not used for operational educational purposes) within the group are disclosed separately. In addition, all Interests in land (not used for operational purposes) will be consolidated as investments. Land used for operational purposes will continue to be recognised in fixed assets.

Stocks

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

Debtors

Short term debtors are measured at transaction price, less impairment.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Statement of Principal Accounting Policies (continued)

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.

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 Consolidated Statement of Comprehensive Income and Expenditure.

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 Consolidated Statement of Comprehensive Income and Expenditure. 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.

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 Consolidated Statement of Comprehensive Income and Expenditure in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Statement of Principal Accounting Policies (continued)

Financial Liabilities (continued)

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.

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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Taxation

The College is a registered charity (number 1137457). It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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

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 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.

Statement of Principal Accounting Policies (continued)

Pension costs

Universities Superannuation Scheme (USS)

The College participates in the Universities Superannuation Scheme (the scheme). The scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Consolidated Statement of Comprehensive Income and Expenditure.

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the scheme provided by USS 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 financial statements.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Other pension schemes

The College also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the College. The annual contributions payable are charged to the Consolidated Statement of Comprehensive Income and Expenditure.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In order to calculate the discounted pension liability, the College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension costs (continued)

Critical accounting estimates and areas of judgement (continued)

The present value of the CCFPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102.

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.

Legacy accounting

For legacies, entitlement is taken as the earlier of the date of which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the College that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

PETERHOUSE

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2025

	Note	Unrestricted	Restricted	Restricted Permanent Endowment	2025 Total	Unrestricted	Restricted	Restricted Permanent Endowment	2024 Total
Income		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Academic fees and charges	1	2,865	98	-	2,963	2,661	69	-	2,730
Accommodation, catering and conferences	2	3,883	-	-	3,883	3,704	-	-	3,704
Investment income	3	7,293	29	504	7,826	7,110	25	458	7,593
Endowment return transferred	3	-	726	(726)	-	-	635	(635)	-
Other income		114	-	-	114	90	-	-	90
Total income before donations and endowments		**14,155**	**853**	**(222)**	**14,786**	**13,565**	**729**	**(177)**	**14,117**
Donations		188	1,470	-	1,658	169	732	-	901
New endowments		-	-	636	636	-	-	2,588	2,588
Total income		**14,343**	**2,323**	**414**	**17,080**	**13,734**	**1,461**	**2,411**	**17,606**
Expenditure									
Education	4	6,307	1,049	-	7,356	6,087	983	-	7,070
Accommodation, catering and conferences	5	6,740	85	-	6,825	6,340	79	-	6,419
Other expenditure	6	3,176	1	19	3,196	2,722	2	22	2,746
Net change in USS deficit recovery provision	16	-	-	-	-	(1,123)	-	-	(1,123)
Contribution under Statute G, II		188	-	-	188	197	-	-	197
Total expenditure	7	**16,411**	**1,135**	**19**	**17,565**	**14,223**	**1,064**	**22**	**15,309**
(Deficit)/Surplus before other gains and losses		**(2,068)**	**1,188**	**395**	**(485)**	**(489)**	**397**	**2,389**	**2,297**
Gains on investments applied to income	10	656	13	222	891	611	10	177	798
Surplus before other gains and losses applied to income		**(1,412)**	**1,201**	**617**	**406**	**122**	**407**	**2,566**	**3,095**
(Loss)/Gain on investments	10	(6,121)	15	261	(5,845)	6,635	58	1,023	7,716
(Deficit)/Surplus for the year		**(7,533)**	**1,216**	**878**	**(5,439)**	**6,757**	**465**	**3,589**	**10,811**
Other comprehensive income									
Miscellaneous capital and non-operational receipts		5	-	-	5	-	-	-	-
Unrealised surplus on revaluation of fixed assets		61,277	-	-	61,277				
Actuarial loss in respect of pension schemes	16	195	-	-	195	143	-	-	143
Total comprehensive income for the year		**53,944**	**1,216**	**878**	**56,038**	**6,900**	**465**	**3,589**	**10,954**

The notes on pages 29 to 48 form part of these accounts.

PETERHOUSE

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2025

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2023	**326,482**	**7,159**	**16,671**	**350,312**
Surplus from income and expenditure statement	6,757	465	3,589	10,811
Other comprehensive income	143	-	-	143
Balance at 30 June 2024	**333,382**	**7,624**	**20,260**	**361,266**

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2024	**333,382**	**7,624**	**20,260**	**361,266**
Surplus from income and expenditure statement	(7,533)	1,216	878	(5,439)
Other comprehensive income	61,477	-	-	61,477
Balance at 30 June 2025	**387,326**	**8,840**	**21,138**	**417,304**

The notes on pages 29 to 48 form part of these accounts.

PETERHOUSE

CONSOLIDATED AND COLLEGE BALANCE SHEET

AS AT 30 JUNE 2025

	Note	2025 Consolidated £'000	2025 College £'000	2024 Consolidated £'000	2024 College £'000
Non-current Assets					
Fixed assets	9	184,036	184,036	121,157	121,157
Investments	10	256,405	256,030	261,323	260,948
		440,441	**440,066**	**382,480**	**382,105**
Current assets					
Stocks	11	452	452	456	456
Trade and other receivables	12	3,258	3,704	5,981	6,411
Cash and cash equivalents	13	3,438	2,730	3,068	2,446
		7,148	**6,886**	**9,505**	**9,313**
Creditors: amounts falling due within one year	14	(3,321)	(3,219)	(3,529)	(3,405)
Net current assets		**3,827**	**3,667**	**5,976**	**5,908**
Total Assets less current liabilities		**444,268**	**443,733**	**388,456**	**388,013**
Creditors: amounts falling due after more than one year	15	(25,891)	(25,891)	(25,887)	(25,887)
Provisions					
Pension provisions	16	(1,073)	(1,073)	(1,303)	(1,303)
Total net assets		**417,304**	**416,769**	**361,266**	**360,823**
Restricted reserves					
Income and expenditure reserve – endowment reserve	17	21,138	21,138	20,260	20,260
Income and expenditure reserve – restricted reserve	18	8,840	8,840	7,624	7,624
Total Restricted reserves		**29,978**	**29,978**	**27,884**	**27,884**
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		387,326	386,791	333,382	332,939
Total Reserves		**417,304**	**416,769**	**361,266**	**360,823**

The accompanying notes on pages 29 to 48 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 24 November 2025 and signed on their behalf by:

M.A. Parker

Professor M.A. Parker

Master

Mr I.N.M. Wright

Senior Bursar

PETERHOUSE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 £'000	2024 £'000
Net cash outflow from operating activities	19	(695)	(7,074)
Cash flows from investing activities	20	2,322	3,201
Cash flows from financing activities	21	(1,154)	(1,156)
Decrease in cash and cash equivalents in the year		**473**	**(5,029)**
Cash and cash equivalents at beginning of the year		3,077	8,106
Cash and cash equivalents at end of the year	**22**	**3,550**	**3,077**

The notes on pages 29 to 48 form part of these accounts.

1. Academic fees and charges

	2025 £'000	2024 £'000
College Fees		
Fee income received at the Regulated Undergraduate rate	991	979
Fee income received at the Unregulated Undergraduate rate	909	794
Fee income received at the Graduate rate	755	678
Other income	308	279
	2,963	2,730

2. Income from accommodation, catering and conferences

		2025 £'000	2024 £'000
Accommodation	College members	2,517	2,378
	Conferences	454	428
Catering	College Members	441	399
	Conferences	471	499
Total		3,883	3,704

3. Total return and investment income

3a. Analysis

	2025 £'000	2024 £'000
Income from:		
Land and buildings	5,502	5,024
Quoted Pooled Property Funds	205	218
Quoted securities	1,828	1,833
Other interest receivable	291	518
Total	7,826	7,593
Total endowment return applied to income	**726**	**635**
Land and buildings	5,502	5,024
Quoted Pooled Property Funds	184	195
Quoted securities	1,345	1,398
Other interest receivable	291	518
Less excess of total return over income received	(222)	(177)
Total	7,826	7,593

3b. Summary of total return

	2025 £'000	2024 £'000
Income from:		
Quoted Pooled Property Funds	21	23
Quoted Securities	483	435
	504	458
Gains/(losses) on investment assets:		
Quoted Securities and Pooled Property Funds	483	1,200
Investment management costs	(19)	(22)
Total return for year	968	1,636
Total return transferred to income and expenditure reserve (see note 17)	(726)	(635)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 17)	242	1,001

3c. Investment management costs

	2025 £'000	2024 £'000
Land and buildings	167	195
Quoted securities – equities	75	100
Total	242	295

4. Education expenditure

	2025 £'000	2024 £'000
Teaching	2,423	2,258
Tutorial	1,021	986
Admissions	772	729
Research	1,222	1,144
Scholarships and awards	934	1,014
Other educational facilities	984	939
Total	7,356	7,070

5. Accommodation, catering and conferences expenditure

		2025 £'000	2024 £'000
Accommodation	College members	4,094	3,891
	Conferences (including meeting rooms)	427	399
Catering	College Members and staff	1,838	1,636
	Conferences	466	493
Total		6,825	6,419

6. Other Expenditure

	2025 £'000	2024 £'000
Loan interest	1,158	1,156
Write off of accrued interest on investment	606	-
USS pension interest charge	-	25
FRS 102 pension schemes interest charge	67	80
Investment management fees and administration	75	100
Property management fees and administration	167	195
Other property costs	582	659
Other general and administrative	541	531
Subtotal	3,196	2,746
Contribution under Statute G,II	188	197
Total	3,384	2,943

7a. Analysis of 2024/2025 expenditure by activity

	Staff costs (Note 8) £'000	Other Operating Expenses £'000	Depreciation £'000	2025 Total £'000
Education	3,473	3,061	822	7,356
Accommodation, catering and conferences	2,938	1,780	2,107	6,825
Other	391	2,993	-	3,384
Net change in USS deficit recovery provision (see note 16)	-	-	-	-
Total	6,802	7,834	2,929	17,565

7b. Analysis of 2023/2024 expenditure by activity

	Staff costs (Note 8) £'000	Other Operating Expenses £'000	Depreciation £'000	2024 Total £'000
Education	3,173	3,196	701	7,070
Accommodation, catering and conferences	2,737	1,912	1,770	6,419
Other	302	2,641	-	2,943
Net change in USS deficit recovery provision (see note 16)	(1,123)	-	-	(1,123)
Total	5,089	7,749	2,471	15,309

Other expenditure includes fundraising costs of £156k (2024: £186k). This expenditure does not include the costs of alumni relations.

7c. Auditors remuneration

Other operating expenses for the College and its subsidiaries include:	2025 £'000	2024 £'000
Audit fees payable to the College's external auditors	31	22
Other fees payable to the College's external auditors	-	-
Total	31	22

8. Staff and external teaching costs

	College Fellows 2025 £'000	Academic 2025 £'000	Non Academic 2025 £'000	Total 2025 £'000
Staff and external teaching costs:				
Emoluments	1,485	-	3,982	5,467
External teaching costs	-	254	-	254
Social Security costs	162	-	401	563
Subtotal	1,647	254	4,383	6,284
Other pension costs	198	-	320	518
Net change in USS deficit recovery provision (see note 16)	-	-	-	-
Subtotal of pension costs (see note 8b)	198	-	320	518
Total	1,845	254	4,703	6,802

College Fellows include Academic Emoluments (£1,180k), Social Security costs (£121k), Other pension costs (£157k).

	College Fellows 2024 £'000	Academic 2024 £'000	Non Academic 2024 £'000	Total 2024 £'000
Staff and external teaching costs:				
Emoluments	1,333	-	3,662	4,995
External teaching costs	-	239	-	239
Social Security costs	137	-	332	469
Subtotal	1,470	239	3,994	5,703
Other pension costs	221	-	331	552
Net change in USS deficit recovery provision	(1,166)	-	-	(1,166)
Subtotal of pension costs (see note 8b)	(945)	-	331	(614)
Total	525	239	4,325	5,089

College Fellows include Academic Emoluments (£1,088k), Social Security costs (£107k), Other pension costs (£184k).

Based on the 2024 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit of £Nil (2024: £1,166k). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £Nil (2024: £1,123k) and cash contributions made to reduce the deficit in the year of £Nil (2024: £43k).

Average number of staff:	2025	2024
Academic (Full-time)	19	17
Academic (Part-time)	69	67
Non-academic (Full-time)	76	73
Non-academic (Part-time)	57	48
Total	221	205

The Governing Body comprised 42 Fellows, of which 37 are stipendiary.

8. Staff and external teaching costs (continued)

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

From	To	2025 Number	2024 Number
£100,001	£110,000	-	2
£110,001	£120,000	3	-
£120,001	£130,000	-	2
£130,001	£140,000	1	-
£140,001	£150,000	1	

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

8a. Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. During the year there were 3 (2024: 3) members of the key management team and total remuneration (including employer's pensions and employer's national insurance contributions) and other benefits were £389,000 (2024: £361,000).

The Trustees received no remuneration in their capacity as Trustees of the Charity.

8b. Pension costs

The total pension cost included in staff costs for the year (see note 8) was:

	Employer contributions 2025 £000	Provisions (Note 16) 2025 £000	Total 2025 £000	Employer contributions 2024 £000	Provisions (Note 16) 2024 £000	Total 2024 £000
USS	222	-	222	218	(1,123)	(905)
CCFPS	126	-	126	138	-	138
Other	170	-	170	153	-	153
Total	518	-	518	509	(1,123)	(614)

9. Fixed assets

Group and College	Land and buildings £'000	Equipment £'000	2025 Total £'000	2024 Total £'000
Cost/valuation				
At beginning of year	139,739	3,517	143,256	139,649
Additions	4,378	153	4,531	3,607
Revaluation	40,931	-	40,931	-
At end of year	185,048	3,670	188,718	143,256
Accumulated depreciation				
At beginning of year	20,346	1,753	22,099	19,628
Charge for the year	2,712	217	2,929	2,471
Written back on revaluation	(20,346)	-	(20,346)	-
At end of year	2,712	1,970	4,682	22,099
Net book value				
At 30 June 2025	182,336	1,700	184,036	121,157
At 1 July 2024	119,393	1,764	121,157	120,021

The insured value of freehold land and buildings as at 30 June 2025 was £176m (2024: £171m).

The College has not made any heritage asset acquisitions since 1 August 2014 and, therefore, has not included any heritage assets in the Balance Sheet. Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

A valuation of College land and buildings was carried out by Gerald Eve LLP, Chartered Surveyors, on 30 June 2024 on the basis of fair value defined as: The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction.

10. Investments

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
At beginning of year	261,323	260,948	253,534	253,113
Additions	8,445	8,445	4,885	4,885
Disposals	(7,467)	(7,467)	(4,100)	(4,100)
Gain/(loss) on investments	(5,845)	(5,845)	7,716	7,762
Decrease in cash balances held at fund managers	(51)	(51)	(712)	(712)
At end of year	256,405	256,030	261,323	260,948

Represented by:	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Property	173,118	172,283	179,550	178,715
Pooled Property Funds	3,598	3,598	3,519	3,519
Quoted securities – securities	79,272	79,272	75,405	75,405
Loans and fixed interest securities	276	276	2,657	2,657
Investment in subsidiary undertakings	-	460	-	460
Cash in hand and at investment mangers	141	141	192	192
	256,405	256,030	261,323	260,948

Investment assets and endowment assets are managed as a single pool and are both included within the note above.

The investment in subsidiaries represents 100% of the issued share capital of Peterhouse Enterprises Limited ("PEL"), and Peterhouse Conference and Events Limited ("PCEL"). All companies are registered in the United Kingdom.

PEL develops property and holds property for rental. Any taxable revenue surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2025 the company had share capital and reserves totalling £453,537 (2024: £453,537) and the (loss)/ profit after tax (but before deed of covenant) for the year then ended was £2,155 (2024: £6,202).

PCEL runs conference and events facilities. Any taxable surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2025 the company had share capital and reserves totalling £1(2024: £1) and the profit after tax (but before deed of covenant) for the year then ended was £80,630 (2024: £48,483).

The Group has an investment through Manor Farm Stretham LLP in a residential housing development in Cambridgeshire. PEL holds an investment at cost of £Nil (2024: £Nil) in the LLP. Manor Farm Stretham LLP had borrowed on commercial terms £276k at 30 June 2025 (2024: £2,657k) from the College.

The Group has an investment in a property called Fornham Business Court and this is partially funded by a loan from a third party (see note 15: Other loans).

The 2025 valuations were made by Ian Peck (MRICS certified) who was an employee of Peck Property Consultants Limited, on an open market value basis.

11. Stocks and work in progress

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Other stocks	452	452	456	456

12. Trade and other receivables

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Members of the College	92	92	134	134
Amount due from subsidiary undertaking	-	470	-	471
Other receivables	1,407	1,383	1,336	1,295
Prepayments and accrued income	1,759	1,759	4,511	4,511
Total	3,258	3,704	5,981	6,411

13. Cash and cash equivalents

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank deposits	3,378	2,683	2,986	2,377
Current accounts	60	47	82	69
Total	3,438	2,730	3,068	2,446

14. Creditors: amounts falling due within one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank overdraft	29	29	183	183
Members of the College	267	267	323	323
University fees	28	28	81	81
Contribution to Colleges Fund	188	188	197	197
Other Creditors (e.g. VAT)	1,855	1,782	1,859	1,783
Accruals and deferred income	954	925	886	838
Total	3,321	3,219	3,529	3,405

15. Creditors: amounts falling due after more than one year

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Bank loans	24,000	24,000	24,000	24,000
Other loans	1,891	1,891	1,887	1,887
	25,891	25,891	25,887	25,887

Included within creditors due in more than one year are the following loans and facilities:

£8 million due for repayment by 27/02/2031. The loan bears fixed interest rates of 4.345% on £1 million, 4.415% on £2 million and 4.575% on £5 million.

£16 million due for repayment by 12/11/2057. The loan bears fixed interest rates of 4.970% on £8 million and 5.005% on £8 million.

16. Pension Provisions

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Balance at beginning of year	**1,303**	**1,303**	**2,655**	**2,655**
Movement in year:				
Current service cost including life assurance	348	348	356	356
Contributions	(450)	(450)	(504)	(504)
Other finance cost	68	68	105	105
Actuarial loss/(gain) recognised in Consolidated Statement of Comprehensive Income and Expenditure	(196)	(196)	(143)	(143)
Net change in underlying assumptions (see note 8)				
- Change in underlying assumptions	-	-	(1,123)	(1,123)
- USS deficit contributions payable	-	-	(43)	(43)
Balance at end of year	1,073	1,073	1,303	1,303

Split as follows:

CCFPS
Pension Provisions

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Balance at beginning of year	**1,303**	**1,303**	**1,514**	**1,514**
Movement in year:				
Current service cost including life assurance	126	126	138	138
Contributions	(229)	(229)	(286)	(286)
Other finance cost	68	68	80	80
Actuarial loss/(gain) recognised in Consolidated Statement of Comprehensive Income and Expenditure	(195)	(195)	(143)	(143)
Balance at end of year	1,073	1,073	1,303	1,303

16. Pension Provisions (continued)

USS
Pension Provisions

	Group 2025 £'000	College 2025 £'000	Group 2024 £'000	College 2024 £'000
Balance at beginning of year	-	-	1,141	1,141
Movement in year:				
Current service cost including life assurance	222	222	218	218
Contributions	(222)	(222)	(218)	(218)
Other finance cost	-	-	25	25
Net change in underlying assumptions (see note 8)				
- Change in underlying assumptions	-	-	(1,123)	(1,123)
- USS deficit contributions payable	-	-	(43)	(43)
Balance at end of year	-	-	-	-

17. Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent Endowments 2025 Base Value £'000	Restricted Permanent Endowments 2025 Unapplied return £'000	Restricted Permanent Endowments 2025 Total £'000	Restricted Permanent Endowments 2024 Total £'000
Group and College				
Balance at beginning of year	**18,854**	**1,406**	**20,260**	**16,671**
Increase/(decrease) in market value of investments	-	483	483	1,200
Investment income	-	504	504	458
Management charges	-	(19)	(19)	(22)
Endowment return transferred to other unspent restricted income	-	(726)	(726)	(635)
New donations and endowments	636	-	636	2,588
Movement in Year	636	242	878	3,589
Balance at end of the year	19,490	1,648	21,138	20,260

17. Endowment funds (continued)

	Restricted Permanent Endowments 2025 Base Value £'000	Restricted Permanent Endowments 2025 Unapplied return £'000	Restricted Permanent Endowments 2025 Total £'000	Restricted Permanent Endowments 2024 Total £'000
Analysis by type of purpose:				
Research, studentship, scholarship funds	16,073	1,319	17,392	16,593
Student hardship	2,388	231	2,619	2,560
Prizes	453	43	496	491
Travel grants	333	33	366	362
Library fund	79	6	85	81
Garden fund	149	14	163	157
Kelvin fund	15	2	17	16
	19,490	1,648	21,138	20,260
Analysis by asset:				
Investments	19,490	1,648	21,138	17,760
Trade and other receivables	-	-	-	2,500
	19,490	1,648	21,138	20,260

18. Restricted Reserves

Reserves with restrictions for the current year are as follows (full comparatives follow on the next page):

Group and College

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2025 Total £'000	2024 Total £'000
Balance at beginning of year	**444**	**7,180**	**7,624**	**7,159**
Application of total return on Endowment return transferred	726	-	726	635
Transfer of Income	(547)	547	-	-
Increase/(decrease) in market value of investments	-	28	28	68
Investment income	-	29	29	25
Management charges	-	(1)	(1)	(2)
New grants and other income	-	98	98	69
New donations	-	1,470	1,470	732
Expenditure	-	(1,134)	(1,134)	(1,062)
Movement in the year	179	1,037	1,216	465
Balance at end of year	623	8,217	8,840	7,624

18. Restricted Reserves (continued)

Analysis of other restricted funds/ donations by type of purpose:

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2025 Total £'000	2024 Total £'000
Music	-	46	46	72
Works of art	-	8	8	8
Research, studentship, scholarship funds	350	2,305	2,655	1,490
Student hardship	211	480	691	615
Boat club fund	-	567	567	528
Cricket club	-	3	3	3
Prizes	45	56	101	56
Perne library	-	16	16	16
Travel grants	1	48	49	45
Library fund	4	31	35	46
Garden Fund	11	-	11	11
Chapel	-	1,136	1,136	1,153
Lectures	-	53	53	50
Kelvin Fund	1	-	1	1
Buildings fund	-	3,468	3,468	3,530
	623	8,217	8,840	7,624

19. Reconciliation of consolidated surplus for the year to net cash outflow from operating activities

	2025 £'000	2024 £'000
(Deficit)/surplus for the year	(5,439)	10,811
Adjustment for non-cash items:		
Depreciation	2,929	2,471
Loss/(gain) on endowments and investments	5,845	(7,716)
Decrease/(increase) in stock	4	(2)
Decrease/(increase) in trade and other receivables	2,723	(3,147)
(Decrease)/increase in creditors	(54)	(1,845)
Pension costs less contributions payable	(35)	(1,209)
Adjustment for investing or financing activities:		
Investment Income	(7,826)	(7,593)
Loan interest payable	1,158	1,156
Net cash outflow from operating activities	(695)	(7,074)

20. Cash flows from investing activities

	2025 £'000	2024 £'000
Non-current investment disposal	7,472	4,100
Investment income	7,826	7,593
Endowment funds invested	(8,445)	(4,885)
Payments to acquire tangible fixed assets	(4,531)	(3,607)
Total cash flows from investing activities	2,322	3,201

21. Cash flows from financing activities

	2025 £'000	2024 £'000
Interest paid	(1,158)	(1,156)
New secured loans	4	-
Net cash outflow from financing activities	(1,154)	(1,156)

22. Analysis of cash and cash equivalents

	At beginning of year £'000	Cash flows £'000	At end of year £'000
Bank overdraft	(183)	154	(29)
Cash at bank and in hand	3,068	370	3,438
Cash at investment managers	192	(51)	141
Net Funds	3,077	473	3,550

23. Pension Schemes

The total pension cost for the College for the year to 30 June shown in notes 8 and 8b was as follows:

	2025 £'000	2024 £'000
USS: Charged to Consolidated Statement of Comprehensive Income and Expenditure	222	218
CCFPS: Charged to Consolidated Statement of Comprehensive Income and Expenditure	126	138
CCGPS: Defined Contribution Scheme Employer contributions	170	153
Net change in USS deficit recovery provision	-	(1,123)
	518	(614)

The schemes are as follows:

23. Pension Schemes (continued)

Universities Superannuation Scheme (USS)

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).

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:

	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 0.40% 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

23. Pension Schemes (continued)

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	25.6
Males currently aged 45 (years)	25.7	25.4
Females currently aged 45 (years)	27.2	27.2

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College operates a defined benefits plan for the College's employees of the 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:

	30 June 2025 % p.a.	30 June 2024 % p.a.
Discount rate	5.50	5.10
Increase in salaries to 2030	2.40	2.85
Increase in salaries from 2030	3.30	3.75
Retail Prices Index (RPI) assumption	2.90	3.35
Consumer Prices Index (CPI) assumption to 2030	1.90	2.35
Consumer Prices Index (CPI) assumption from 2030	2.80	3.25
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 table 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, and retiring at age 65, has a life expectancy of 22.7 years (previously 22.6 years).
- Female age 45 now, and retiring at age 65, has a life expectancy 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 commutation factors in these calculations.

23. Pension Schemes (continued)

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

	30 June 2025 £'000	30 June 2024 £'000
Present value of plan liabilities	(10,344)	(11,601)
Market Value of plan assets	9,272	10,299
Net defined benefit liability	(1,072)	(1,302)

The amounts to be recognised in Income and Expenditure for the year ending 30 June 2025 (with comparative figures for the year ending 30 June 2024) are as follows:

	30 June 2025 £'000	30 June 2024 £'000
Current service cost	100	118
Administrative expenses	26	20
Interest on net defined benefit liability	68	80
Total	194	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:

	30 June 2025 £'000	30 June 2024 £'000
Present value of plan liabilities at beginning of period	11,601	11,295
Current service cost (including Employee contributions)	144	170
Benefits paid	(1,029)	(428)
Interest on plan liabilities	570	581
Actuarial (gains)/losses	(941)	(15)
Present value of plan liabilities at end of period	10,345	11,603

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:

	30 June 2025 £'000	30 June 2024 £'000
Market value of plan assets at beginning of period	10,299	9,782
Contributions paid by the College	229	286
Employee contributions	44	51
Benefits paid	(1,029)	(428)
Administrative expenses paid	(29)	(25)
Interest on plan assets	502	501
Return on assets, less interest included in Income & Expenditure	(743)	133
Market value of plan assets at end of period	9,273	10,300
Actual return on plan assets	(241)	633

23. Pension Schemes (continued)

The major categories of plan assets as a percentage of total 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 and cash	37%	42%
Property	13%	12%

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

Analysis of the re-measurement 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 Income & Expenditure	(743)	133
Expected less actual plan expenses	(3)	(5)
Experience gains and losses arising on plan liabilities	(104)	(42)
Changes in assumptions underlying the present value of plan liabilities	1,045	57
Remeasurement of net defined benefit liability recognised in OCI	195	143

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 liability at beginning of year	(1,303)	(1,514)
Recognised in Income and Expenditure	(194)	(218)
Contributions paid by the College	229	286
Remeasurement of net defined benefit liability recognised in OCI	195	143
Net defined benefit liability at end of year	(1,073)	(1,303)

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 were incorporated into the plan's latest Schedule of Contributions dated 3 June 2024 and are as follows:

- Annual contributions of not less than £91,513 per annum payable for the period from 1 July 2024 to 31 October 2029.

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

Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £170k (2024: £153k).

24. Capital Commitments

	2025 £'000	2024 £'000
Capital commitment at 30 June are as follows:		
Authorised and contracted	146	829

25. Operating Leases

Operating Leases - Lessor

At 30 June the College had granted non-cancellable operating leases in respect of its freehold investment properties as follows:

	2025 £'000	2024 £'000
Receivable within one year	4,529	4,204
Receivable between two and five years	12,000	11,494
Receivable in over five years	200,856	160,916
	217,385	176,614

Operating Leases – Lessee

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

	2025 £'000	2024 £'000
Payable within one year	8	12
Payable between two and five years	1	14
	9	26

26. Consolidated reconciliation and analysis of net debt

	At 1 July 2024 £'000	Cash Flows £'000	At 30 June 2025 £'000
Cash at investment managers	192	(51)	141
Cash and cash equivalents	3,068	370	3,438
Borrowings-			
Amounts falling due within one year:			
Bank overdraft	(183)	154	(29)
Borrowings-			
Amounts falling due after more than one year:			
Unsecured bank loans	(24,000)	-	(24,000)
Unsecured other loans	(1,887)	(4)	(1,891)
Net total debt	**(22,810)**	**469**	**(22,341)**

27. Related Party Transactions

No disclosure of transactions with Peterhouse Enterprises Limited or Peterhouse Conference and Events Limited has been made as those financial statements at 30 June 2025 have been consolidated within these accounts.

Trustees are required to make disclosure of potential conflicts of interest at all College Committee meetings. A register of interests for all Trustees is maintained by the College.

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

The Trustees are remunerated for specific College offices which have associated duties of Teaching, Tutorial, Research, and Administration. The Trustees remuneration is overseen by the Remuneration Committee. This Committee consists of three independent members.

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

From	To	2025 Number	2024 Number
£1	£10,000	12	9
£10,001	£20,000	8	9
£20,001	£30,000	6	6
£30,001	£40,000	3	2
£40,001	£50,000	-	1
£50,001	£60,000	1	1
£60,001	£70,000	2	1
£70,001	£80,000	1	1
£80,001	£90,000	1	2
£90,001	£100,000	1	2
£100,001	£110,000	2	-
	Total	**37**	**34**

The total Trustee salaries were £1,096,000 for the year (2024: £975,000).

The Trustees were also paid other taxable benefits (including employer contributions to pensions) which totalled £171,000 (2024: £199,000).

The Trustees also received grants from the College towards their research totalling £48,000 (2024: £49,000).

Travel and other business expenses reimbursed to Trustees in their capacity as officers of the College totalled £11,000 (2024: £21,000).

The Trustees are entitled to a daily meal at College expense.

No trustees had loans with the College at the year end.

Due to the nature of the College's operations and the composition of its Governing Body, it is inevitable that the College will enter into transactions in the normal course of business with the University of Cambridge, Colleges, Research Councils, other grant-awarding bodies, and other private and public sector organisations in which members of the Governing Body may have an interest. All transactions involving organisations in which members of Governing Body may have such an interest are conducted in accordance with the College's financial regulations and usual procurement procedures, and where material are separately disclosed below.

27. Related Party Transactions (continued)

There are 31 Colleges, each of which is an independent corporation with its own property and income. Each College publishes its own financial statements in a form specified by the University of Cambridge. The College pays levies to support the activity of the Office of Intercollegiate Services (OIS). The OIS is responsible primarily for arranging support services to the 31 colleges of the Collegiate University (Cambridge).

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2025 these fees total £7,222k (2024: £6,891k). During the year the University paid Peterhouse from these fees sums totalling £1,655k (2024: £1,604k) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year Peterhouse made a contribution under Statute G, II of £197k (2024: £201k) into the Colleges Fund. The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. Peterhouse administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £130k to this scheme (2024: £125k). In the course of its charitable activities, Peterhouse also pays the University of Cambridge for printing, network and other services. In addition, Peterhouse periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

28. Contingent Liability

Peterhouse has entered into a collaboration agreement with a Cambridgeshire landowner in respect of land that both parties are promoting jointly to look to market and develop and the arrangements in place, signed in 2011, do mean that equalisation payments will flow in future as land is sold to ensure that both parties realise the same value per acre.

THE MASTER (OR KEEPER) AND FELLOWS OF PETERHOUSE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137457

Accounts

PETERHOUSE

FOR THE YEAR ENDED

30 JUNE 2024

Contents

	Page
Reference and Administrative Details	2
Senior Officers and Advisors	3
Operating Review	4 - 6
Financial Review	7 - 11
Corporate Governance and Statement of Internal Control	12 - 13
Responsibilities of the Governing Body	14
Report of the Auditors	15 – 17
Statement of Principal Accounting Policies	18 – 24
Consolidated Statement of Comprehensive Income and Expenditure	25
Statement of Changes in Reserves	26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Accounts	29 – 48

PETERHOUSE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2024

Address

Peterhouse
Trumpington Street
Cambridge
CB2 1TP

Charity Registration number: 1137457

Members of the Governing Body who served during the year

Professor M.A. Parker (Master)

Dr S.N. Solomou
Professor P.C. Woodland
Professor S.F. Deakin
Professor S.E. Jackson
Professor B.P. Simms
Professor M.C. Jones
Dr J.N.B. Carleton Paget
Dr J.M.B. Wallace
Mr S.H. Mandelbrote
Dr A.J. White
Professor P.A. Midgley
Dr R.I. Ross Russell
Dr M.J. Ryan
The Revd Dr S.W.P. Hampton
Dr A Zsák
Dr C.G. Lester
Dr S.M. Murk Jansen (deceased 19 February 2024)
Professor M Moriarty (retired 30 September 2023)
Mr I.N.M. Wright
Dr J.P. Talbot
Dr T.K. Dickens
Professor R.J. Holton
Dr A. Haldar
Professor J.E. Robb
Dr S.J. Lunn-Rockcliffe
Dr G. Christie
Professor T. Long
Dr N.A.S. Zair
Dr G.L. Thomas
Dr LS Slater
Dr T Plesa
Dr G Gerlach
Dr H Porter
Dr T Rittman
Professor JT Richards (appointed 1 October 2023)
Dr A Mashayekhi (appointed 1 October 2023)
Dr AJ Thom (appointed 1 October 2023)
Dr M Gath-Morad (appointed 22 January 2024)

PETERHOUSE
SENIOR OFFICERS AND ADVISORS
FOR THE YEAR ENDED 30 JUNE 2024

Current Senior Administrative Officers

Master:	Professor MA Parker
Senior Tutor:	The Revd Dr S.W.P. Hampton
Senior Bursar:	Mr I.N.M. Wright

Principal Legal Advisers

Mills & Reeve
Francis House
112 Hills Road
Cambridge
CB2 1PH

Property Managers

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Encore Group
2 Hills Road
Cambridge
CB2 1JP

Investment Advisors/ Fund Custodian

Cantab Asset Management Ltd
50 Station Road
Cambridge
CB1 2JH

AJ Bell Investcentre
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Auditors

Price Bailey LLP
Chartered Accountants and Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers

Barclays Bank PLC
Cambridge Business Centre
Cambridge
CB2 3PZ

Tax Advisor

PEM
Salisbury House,
Station Road
Cambridge
CB1 2LA

PETERHOUSE
OPERATING REVIEW
FOR THE YEAR ENDED 30 JUNE 2024

Introduction

The commentary that follows is intended to give the readers of the financial statements an overview of the finances and operations of Peterhouse and its subsidiaries.

The College is preparing its financial statements in accordance with Recommended Cambridge College Accounts (RCCA) format which has adopted FRS 102.

Scope of the Financial Statements

The consolidated financial statements cover the education, research and religious activities of Peterhouse and also its subsidiary companies. These subsidiaries undertake activities which for legal or commercial reasons are more appropriately carried out by limited companies. The subsidiary companies are listed in note 10.

About the College

Peterhouse is an autonomous, self-governing community of scholars and is the oldest of the 31 colleges within the University of Cambridge.

Formally "The Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge", Peterhouse is a charitable corporation established by Letters Patent dated 31 March, 1284 and granted royal assent by Charter of King Edward I on 28 May, 1285. The College is a registered charity (No. 1137457), with its principal address at Trumpington Street, Cambridge, CB2 1RD.

The College is governed in accordance with its Statutes, published in 1926 and variously amended from time to time by Order of Her Majesty in Council. The Statutes of the University of Cambridge and specific legislation covering the University of Cambridge also apply to the College.

The Statutes of the College lay down the constitution and arrangements for governance of the College. They describe, among other things, the membership and responsibilities of the Governing Body; the election and duties of the Master; the election, admission, tenure and removal of Fellows; and the appointment and duties of College Officers. The Statutes are supplemented by orders for the regulation of the College's affairs, made by the Governing Body in accordance with the Statutes.

The Visitor of the College is the Bishop of Ely.

Aims and objectives of the College

The "laudable design" of Hugo de Balsham, as expressed in the College's founding instruments, was "to introduce scholars in the schools, who are to live together and study in the University of Cambridge; to dwell in the same [College] for ever, and employ themselves with appropriate study, to the praise of God and the perpetual augmentation of the same university."

This forms the basis for the College's statutory purpose, namely to advance education, religion, learning and research through the provision of a College in the University of Cambridge.

As part of a collegiate university, the long-term success of the College, as a centre of academic and educational excellence, is dependent upon the continuance of the University of Cambridge's world-class standing.

Public benefit

The College pursues its charitable objects (to advance education, religion, learning and research) for the public benefit through a wide variety of activities, including:

- admitting undergraduates from a diverse range of educational, social and cultural backgrounds for University courses and admitting graduate students from those accepted by the University;
- providing, in conjunction with the University, a world-class education for undergraduates, particularly through College-based individual or small-group supervision and direction of studies;
- supporting students financially and rewarding excellence and achievement through the provision of bursaries, scholarships, prizes and a range of grants, as well as assisting students in particular financial hardship;
- providing pastoral, administrative and academic support for both undergraduates and graduate students through the Tutorial system and other welfare mechanisms;
- providing library, computing, cultural, musical, sporting and social facilities to enable students to achieve their full potential both academically and otherwise;
- supporting students and Fellows by providing accommodation, catering and other services which also underpin the concept of a multi-disciplinary academic community;
- promoting academic research of the highest quality through annual competitions for election to Research Fellowships and Research Studentships, through supporting the research activities of both Fellows and graduate students, and welcoming academic visitors from other institutions;
- maintaining services in the Chapel regularly during Full Term, promoting the activities of the Choir and fostering the spiritual welfare of College members irrespective of denomination or faith;
- preserving and enhancing the endowments and benefactions, historic buildings and grounds of the College for the benefit of future generations;
- providing access to some of the College's facilities and educational resources to conference guests and also to the general public at times when they are not in use by College members.

Funding

The sources of income of Peterhouse are:

- Fees charged to students for tuition, accommodation and use of other College facilities and services;
- Income from services provided to external customers, including conference activity;
- Benefactions and donations for current use;
- Investment income from our accumulated endowment and other assets.

Achievements and performance

Education
The College continues to deliver teaching to support the University courses and examinations, and this was delivered in-person.

85 full time undergraduates were admitted in the year 2023-24 (2023:78), bringing the total across all years to 293 (2023: 291); the new intake can be broken down as to 49%/51% (2023: 54%/46%) arts and sciences; the intake was composed of 62 (2023: 55) Home students and 23 (2023: 23) Overseas students; applicants are assessed on the basis of their potential as well as their achievements to date. The number of graduate students on the College's books totalled 193 (2023: 188), of whom 136 (2023: 129) were fee paying.

The College aims to provide supervision and direction of studies by its own Fellows in most of the principal subjects offered by the University; the existing Fellowship, who offer expertise in a wide range of subjects, continued to provide this, largely through small group supervision.

Most students were able to take examinations this year; 250 (2023: 241) undergraduates sat classed University examinations in 2024; 203 (2023: 201), with 81.2% (2023: 83.4% obtaining grades in the First Class or the upper division of the Second Class (or in the undivided Second Class); in the other examinations there were 14 Passes; 41 graduate students successfully completed an MPhil or other one-year graduate course (2023: 49), 6 (2023: 5) completed clinical studies and 30 (2023: 31) satisfied the requirement for the degree of PhD.

80 (2023: 73) undergraduates – some 37.4% of those potentially eligible – received means-tested awards totalling £251k (2023: 220k) under the centralised Cambridge Bursary Scheme, with 37 (2023: 39) of the awards at the maximum value. The scheme is intended to ensure that no UK or EU student should be deterred from applying to Cambridge because of financial considerations. The Tutors deployed a further £203k (2023: £200k) to make loans and grants to support undergraduates facing particular financial hardship. Last year's delay in marking resulted in more prizes being awarded this year. Scholarships and prizes worth some £92k (2023: £29k) were awarded by the Governing Body to recognise and reward excellence and achievement. Grants for travel were £59k (2023: £50k) and £8k of grants to support student wellbeing were also awarded (2023: £12k).

The College made grants totalling £77k (2023: £75k) to its official student bodies, the Sexcentenary Club (JCR) and Graduate Society to enable them to provide social and sporting support to their members.

The Ward Library added a further 1,688 (2023: 1,443) volumes during the year, on the recommendation of both Fellows and students and as a result of generous gifts; and the College expanded its Library e-books services. Further improvements to facilities and accommodation were made: the completion of the part refurbishment of Cosin Court; and a programme of small bespoke works to improve kitchens and bathrooms in a number of listed properties. Works to Cosin Court Car Park were completed following the demolition of most of the former structure last year. Finally, the works to construct a landscaped disabled access to the Master's Lodge continued the remodelling of the College site in-line with a longer term Masterplan.

Research
Two Research Fellows specialising in English and Mathematics were appointed through the annual competition, each for an initial three year term, which took the total number of Research Fellows to 8 (2023: 9). These Fellowships enable outstanding academics at the early stages of their careers to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.

On the recommendation of the Research Studentships Committee 4 (2023: 7) Research Studentships were awarded to new graduate students on the basis of merit to cover their academic fees and maintenance expenses, bringing the total to 13 (2023: 19) and the annual cost of the scheme to £354k (2023: £404k). In addition to this, Covid extensions were granted to 4 existing holders of Research Studentships (2023: 2). The Tutors made other grants and awards totalling £91k (2023: £114k) to graduate students in order to offset research and maintenance expenses.

Research allowances totalling £63k (2023: £47k) were provided in support of Fellows' research activities. 1 Bye-Fellow (Economics), 2 Visiting Fellows (one in French, and one in International Relations), and 5 Senior Research Associates (one in Literature, one in Philosophy, one in Mathematics, one in Law and one in Musicology), were appointed for varying terms. 4 Research Associateships were also granted to post-doctoral workers at the University.

Religion
The Chapel occupied its usual place at the heart of the College's spiritual life, with a variety of religious services taking place regularly during Full Term, underpinned by Peterhouse's strong choral tradition. The College hosted a number of events including a local Choral Academy. The College was able once again to support an annual spiritual retreat for its junior members and a Choir tour to Sweden.

The College continued the further refurbishment of the Chapel's fabric, which included the commissioning of the recently refurbished organ. A series of events marked this successful refurbishment.

Additional information about the College's activities can be found in the Peterhouse Annual Record and the College newsletter, as well as on its website (www.pet.cam.ac.uk).

PETERHOUSE
FINANCIAL REVIEW
FOR THE YEAR ENDED 30 JUNE 2024

The financial statements for the year to 30 June 2024 have been prepared in accordance with the Recommended Cambridge College Accounts (RCCA) format and the external auditors' opinion is unqualified. The College's two wholly-owned subsidiaries have all been consolidated. The two subsidiaries are: Peterhouse Enterprises Limited (PEL), which is engaged in property development, and Peterhouse Conferences and Events Limited, which manages certain Catering and Conference activities undertaken by the College in order to raise funds to further its charitable aims.

The College seeks to run the operating income and expenditure account at breakeven over the long term whilst gradually growing spend on its charitable activities and investing appropriately in its stock of buildings and operational infrastructure. To this end the College has continued to seek to expand and improve the range of services it offers to all its students and research community. The recent surge in inflation and the associated high energy prices have impacted on the finances of the College and the wider University sector and will continue to do so. The College continues to address these challenges by seeking to minimise energy costs and by investing in energy efficient technologies (subject to constraints due to its stock of listed buildings) and by seeking the most effective and efficient way of delivering services.

The College remains committed to maintaining and preserving the historic buildings that underpin its charitable objectives and enrich its community. The College also seeks to maintain and gradually enhance its stock of operational properties, and has carried out a number of substantial projects during the year, including the completion of the refurbishment and restoration of the Organ and Chapel, a programme of small bespoke works to improve kitchens and bathrooms in undergraduate accommodation (in staircases in Old Court, Gisbourne Court, Noah's Ark and Fitzwilliam Street), and the completion of a further phase in the refurbishment of Cosin Court, which will improve the quality and energy efficiency of graduate accommodation. In line with the College's strategic plan to develop and re-model the eastern side of the main College site and its Library, the College began works to provide a landscaped disabled Access to the Master's Lodge. The College also completed significant works to Cosin Court Car Park.

This year the College showed an overall underlying accounting deficit before donations of £1,517k. The deficit decreased by £105k on the previous year. Income was buoyed by Conference and Event activity which continued to recover and is now at levels seen prior to the pandemic. Expenditure was impacted by increases in utility prices and the cost of repairs to buildings. However, after adjusting for a movement on the USS pension liability (£1,123k), this overall deficit reduced to £394k, an improvement of £1,208k.

The underlying deficit before donations partly reflects the fact that a number of initiatives are now being directly funded by gifts and donations. After adjusting for donations and endowments, the College showed a surplus of £3,095k. Adding gains on investments and assets of £7,716k from favourable market conditions gives Surplus/(Deficit) after Capital and Non Operational Receipts of £10,811k, which is a £16m improvement on the prior year.

Simplified Income and Expenditure	**2024 Total £'000**	**2023 Total £'000**
Total income before donations and endowments*	14,915	13,846
Total expenditure	(16,432)	(15,468)
(Deficit) before donations and USS provision	**(1,517)**	**(1,622)**
USS provision	1,123	20
(Deficit) before donations	**(394)**	**(1,602)**
Donations	901	796
New endowments	2,588	19
Surplus/(Deficit) before other gains and losses	**3,095**	**(787)**
Gains on investments and assets	7,716	(13,320)
Surplus/(Deficit) for the year	**10,811**	**(14,107)**
Capital and Non Operational Receipts	-	8,913
Surplus/(Deficit) after Capital and Non Operational Receipts	**10,811**	**(5,194)**

* includes gains on investments applied to income

Income/Expenditure

Income from Academic Fees and Charges increased by 6.3% (2023: 8.7% increase) on the prior year reflecting a rise in both the number of unregulated fee-paying undergraduates and graduates. Income from Accommodation, Catering and Conferences rose by 11.7% (£387k) on the prior year (2023: £588k; 21.5% increase), as third party Catering and Conference activity recovered to pre-pandemic activity levels. Income from College Members increased as a result of inflationary price increases together with changes in student occupancy. Endowment income rose £453k (6.3%); this resulted from a combination of one-off increases and back rents from the property portfolio together with an increased draw from its equity investments following a review of the College's total return policy. The increase of £2.5m in New endowments reflect a significant individual legacy which was received shortly after the year end. Overall total College income after donations and endowments rose by £3,654k or 26.2% (2023: £355k; 2.5% increase).

The College's total expenditure fell by £139k or 0.9% (2023: £811k; 5.5% increase). However, if the effects of the release of USS provisions (£1,123k) are excluded, then there was an increase of £964k or 6.23% (2023: £1,524k; 10.9% increase). The most significant factors were the increases in utility prices, repairs to buildings, and staff costs.

Total depreciation fell by £261k (2023: £398k). Last year there was a £332k one-off charge due to the part demolition of the Cosin Court car park. Therefore, excluding this £332k effect from the comparative, there was a further increase of £71k in depreciation year on year.

Staff costs and pensions

Total staff costs (academic and non-academic) remain the most significant cost category for the College at £5.1m (2023: £5.8m). Staff costs excluding USS actuarial adjustments to the pension schemes under FRS102 increased by £343k or 5.8% (2023: £535k or 10.0%). This reflected the cost of living increases and awards for the year; an increase in casual staff to match the increase in conferences and events; the recruitment to a modest number of funded posts; the cost of sabbatical cover; the ongoing impact of auto-enrolment; the increase in national insurance contribution rates; and the College's continued commitment to paying its staff at least in line with the Real Living Wage.

The staff CCFPS pension scheme still remains significantly in deficit (under FRS102) in 2024, although the deficit decreased by £211k (2023: decreased by £248k). The changes in actuarial assumptions underlying the plan liabilities are the key driver of the decrease in the deficit; these changes were due to the discount rate and inflation rate assumptions applied to the scheme's liabilities. This scheme is closed to new entrants.

The College includes a share of the USS Scheme's current deficit. Under FRS102 the College is obliged to account for it under money purchase scheme rules, although it is a multi-employer defined benefit scheme. 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%. As set out in note 23, 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 Consolidated Statement of Comprehensive Income and Expenditure. This recent change to the recovery plan following the latest revaluation assumptions has resulted in a £1,123k credit (2023: £20k credit) being recognised in the Consolidated Statement of Comprehensive Income and Expenditure. Details of this scheme and the CCFPS scheme are included in notes 16 and 23.

Overall the pension scheme liabilities measured under FRS102 have decreased by 48.1% from £2.7m to £1.4m (2023: decreased by 10.0% from £3.0m to £2.7m).

Capital expenditure

The College continued the further refurbishment of the Chapel's fabric, which included the re-installing and commissioning of the recently refurbished organ. Other refurbishment works (£0.8m) include the completion of one phase in the refurbishment of Cosin Court, which will improve the quality and energy efficiency of student accommodation. Following the part demolition of the Cosin Court Car Park, a new car park has been completed. This together with the landscaped disabled access to the Master's Lodge has begun the remodelling of the eastern part of the College site in-line with a longer term Masterplan.

The College takes very seriously its responsibility to maintain the College's operational buildings, most of which are listed and of historic importance, to ensure their compliance with new regulations, and to meet higher energy efficiency standards. An example of this is the College's initiative to reduce its carbon footprint and energy costs by installing a "smart" energy management platform to control individual radiator temperatures and energy usage across the College sites in a more efficient and granular way than has previously been possible. However, the programme of works to maintain and improve College's operational buildings is a significant financial burden on the College.

The College continues to invest in its IT infrastructure and software; during the year the College made further progress with the development of its new accommodation and conference database system. The new database will improve the College's ability to manage its room stock efficiently and improve the back-office processes associated with student billing and third party Conference activity.

Endowment and investment performance

The College's survival in its present form is dependent on its endowment capital, which contributes over half its income and has additionally to absorb deficits and provide the funds for necessary building works. The College's investment objective, implemented under the supervision of its Estates & Investments Committee, is to manage its endowment to produce a steadily rising income stream whilst ensuring the long-term preservation of capital value in real terms.

The composition and performance of the College's endowment is summarised in the table below:

	2024	2023
	£'000	£'000
Property	179,550	175,095
Pooled property funds	3,519	3,763
Equities	75,405	69,579
Cash, loans and fixed interest securities	2,657	4,147
Cash in hand and at investment managers	192	904
Other Cash (owed by)/held for the Endowment	3,164	3,239
Other investments	-	46
Total Investments	**264,487**	**256,773**
Loans	(25,887)	(25,887)
Net Endowment Assets	**238,600**	**230,886**

Endowment return and investment income	**2024**	**2023**
	£'000	**£'000**
Income from:		
Land and buildings	5,024	4,808
Pooled property funds	218	218
Equities	1,833	1,623
Other interest receivable	518	491
Total income	**7,593**	**7,140**
Equities management costs	(100)	(94)
Direct costs of property management, agency fees and maintenance	(855)	(785)
Net income before financing costs	**6,638**	**6,261**
Interest and finance costs	(1,156)	(1,162)
Total net income after financing costs	**5,482**	**5,099**
Capital gains and receipts on investments (realised and unrealised)*	8,514	(3,692)
Total return for Net Endowment	**13,996**	**1,407**

*Includes a capital receipt of £Nil (2023: £8.9m)

The College has adopted total return accounting for its marketable securities portfolio to provide a smooth and stable stream of income. This policy to has a better fit with the College's strategic approach to its equities portfolio by allowing the College more flexibility to invest in line with its Environmental, Social and Governance (ESG) policy.

Property values have risen this year principally due to the strength of the College's commercial portfolio in Cambridge. Equities also rose in value during the year in-line with the global market.

The rise in direct costs of property management were caused by an increase in business rate liabilities, insurance and other utility costs resulting from a temporary vacancy following the refurbishment of an investment property.

Reserves

Peterhouse's unrestricted funds at the year-end amounted to £333.3m (2023: £326.5m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by a large part of the investment portfolio. The Governing Body believes that reserves on this scale are necessary for the College to meet its charitable objectives and to provide the underlying stability for the institution to operate in perpetuity. The Governing Body is mindful to maintain an equitable balance between the interests of current members of the College and future generations.

Risk Management

The Governing Body has the overall responsibility for identifying and managing the major risks facing the College. Discussion of risks are a routine part of the work of the Governing Body and the associated College Committees. A formal high-level risk register is maintained by the Finance Committee and reviewed on an annual basis by the Governing Body. In addition to this, other College Committees review and discuss individual risks which fall within their respective terms of reference on a more frequent basis. College Committees also develop and update College policies to manage and mitigate risks as and when appropriate. Responsibility for the implementation of College policies is delegated to the relevant College Officers and members of staff.

Fundraising

The existence and success of Peterhouse is a reflection of the outstanding generosity over time of Petreans and other benefactors. The College's development campaign continued to make a valuable contribution over the year, with donations and legacies of £3.5m (2023: £0.8m). Of this, £2,588k was raised for permanent endowments (2023: £19k). The combined net costs of fundraising and member relations was £391k (2023: £344k).

During the year the College was greatly saddened by the unexpected passing of Saskia Murk Jansen, the Development Director for the previous 13 years. This created an inevitable pause in the normal pattern of fundraising activities and temporary oversight arrangements were put in place by the College.

The College is registered with the Fundraising Regulator and adheres to its Code of Practice. The College does not use external professional fundraisers and carries out fundraising activities through its Development Office, in collaboration with Cambridge University Development and Alumni Relations Office as appropriate. In addition to seeking financial and other support for the College, the Development Office is also responsible for alumni relations. Fundraising techniques used include face-to-face meetings, the promotion of legacy giving, annual telephone campaigns and occasional mass mailings to members of the College's community. The College takes very seriously its responsibility to ensure that its assets and resources are used only for the purposes for which they were given. The College does not engage in intrusive or unreasonably persistent methods of fundraising and training is given to all individuals who undertake fundraising activities to ensure that they know how to handle an obviously vulnerable person. There have been no formal complaints made about fundraising (prior year none).

Principal risks and uncertainties

Peterhouse faces a range of risks in meeting its charitable purposes which include financial, operational and reputational risks. These include its long-term ability to attract the best staff and students, to maintain and develop its research and educational offering, and to conserve, refresh, and renew its physical facilities. In addition, the College faces reputational risks in a world where modern communication methods have resulted in higher levels of transparency and scrutiny in wide range of areas.

The College has continued to invest in a range of measures to improve further the pastoral support it offers its students. It seeks to foster a supportive and collegiate culture amongst Fellows, students and staff. The College also seeks opportunities to contribute positively to the communities in which it operates and takes seriously its responsibilities as a landowner and landlord to many private tenants.

While Peterhouse is fortunate in being a relatively well-endowed College, it continues to face financial challenges many of which are common to the University and other Cambridge colleges.

The recent pandemic, the Ukraine war and subsequent energy price shock has made the political, economic and educational landscape increasingly uncertain. Operating costs in the meantime have been subject to ongoing inflationary pressures.

Peterhouse seeks to respond to these financial challenges by focussing on efficient financial management of its operational activities, and the prudent stewardship of its endowment assets for the long term. However, if it is to develop further the activities that are critical to its mission such as key teaching posts, research studentships, and to continue to progress its capital expenditure plans across its substantial operational estate, the College will need to raise additional funds over the coming years.

Plans for the future

The College aims to pursue and develop its existing strategy, with a particular focus over the next few years on:

- The challenges posed by recent economic turbulence;
- Continued support of its Research Fellowship and Research Studentship scheme to offer financial support for the most talented early-career academics and graduate students;
- A continued focus on the College's Admissions and Outreach initiatives to attract outstanding applicants for undergraduate and graduate courses from a diverse range of educational, social and cultural backgrounds;
- Investment in its operational and non-operational estate to prepare for a transition to Net Zero carbon emissions by 2048, with as aspiration to do so well before this date.

PETERHOUSE
CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 30 JUNE 2024

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

2. The College is a registered charity (registered number No. 1137457) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

3. The Trustees are Governing Body which is advised in carrying out its duties by a number of Committees.

   a. Governance Committee
   b. Remuneration Committee
   c. Finance Committee
   d. Estates and Investments Committee
   e. Development Committee
   f. Education Committee
   g. Admissions Committee
   h. Examination Failures Committee
   i. Grants Committee
   j. Honorary & Visiting Fellowships Committee
   k. Research Studentships Committee
   l. Research Fellowships Committee
   m. Travel Grants Committee
   n. Charitable Applications Committee
   o. Co-Ordinating Committee
   p. Peterhouse Boat Club Fund Management Committee
   q. Staff Committee
   r. Food and Wine Committee
   s. Buildings, Fabric and Gardens Committee
   t. IT Committee

4. The principal administrative Officers of the College are the Master, the Senior Bursar, and the Senior Tutor.

5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal system of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Finance Committee includes: the Chairman (a Fellow of the College), Senior Tutor, Senior Bursar, Steward and several other Fellows of the College.

6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are routinely made at all College committee meetings.

7. The College's Trustees (Members of the Governing Body) during the year ended 30 June 2024 are set out on page 2.

8. The Trustees are the Governing Body which is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.

9. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

10. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2024 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes and procedures have been established:

a. The Governing Body meets regularly (typically 13 times) throughout the year to consider the plans and strategic direction of the College; it also reviews and approves the annual financial results and budget for the year ahead.
b. The Governing Body receives interim reports from the Finance Committee which reviews key financial information and statistics on an ongoing basis, including quarterly progress against budget.
c. A Committee Structure has been put in place to review key areas of College activity.
d. Appropriate levels of segregation of duties have been established together with authority limits. These are reviewed periodically.
e. Two Fellows (not already on the Finance Committee) review and audit the College accounts in detail, and provide an independent report on their findings to the Governing Body.
f. A Business Analyst has been employed to review and improve the internal systems and controls.
g. The Finance Committee regularly reviews the College's five-year financial forecast to assist with medium-term financial planning.

11. A Fellow on the Governing Body has been designated SIRO (Senior Information Risk Officer) and is responsible for reporting to Governing Body on data protection and information risk issues.

12. The Governing Body's review of the effectiveness of the system of internal control is informed by the work of various Committees, the Senior Bursar, and other College Officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

PETERHOUSE
RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2024

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the Governing Body of the Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge

.....
Professor M.A. Parker
Master

.....
Mr I.N.M. Wright
Senior Bursar

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE *FOR THE YEAR ENDED 30 JUNE 2024*

Opinion
We have audited the financial statements of Peterhouse (the 'College') and its subsidiaries (the 'group) for the year ended 30 June 2024 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 Group's and College's affairs as at 30 June 2024 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly 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.

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 UK, including the FRC'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 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 other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 themselves. 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.

Matters on which we are required to report by exception

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:

- the information given in the financial statements is inconsistent in any material respect with the report of the Governing Body; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees (the Governing Body)

As explained more fully in the Trustees' responsibilities statement set out on page 14, 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

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

Our 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:

We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.

- We reviewed minutes of Finance Committee and Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation

- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.

- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the Governing Body.

- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Governing Body, in accordance with College's statutes, the Statutes of the University of Cambridge and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.



PRICE BAILEY LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 3 December 2024

Statement of Principal Accounting Policies

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 Consolidated 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 4.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 10. Intra-group balances are eliminated on consolidation.

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. The costs of any fees waived or written off by the College are included as expenditure.

Grant income
Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated 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 Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

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 Consolidated 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.

Statement of Principal Accounting Policies (continued)

Recognition of income (continued)

Donations and endowments (continued)

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 Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

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 operates a total return policy with regard to its quoted securities and pooled property funds. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the market value of the quoted securities and pooled property funds. The actual rate of spending for 2024 when measured against a three year trailing average value was 3.25% (2023: 3.25%).

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

Foreign currency translation

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.

Fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets, including the majority of our operational buildings, that had been revalued to fair value on or prior to 1 August 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. These assets had useful economic lives ranging between 5 to 150 years and are depreciated on a straight line basis.

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

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.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Additions to Freehold Buildings, in the form of capitalised refurbishment works or new buildings, are depreciated on a straight line basis over their expected useful lives of 50 years.

Buildings 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.

Statement of Principal Accounting Policies (continued)

Fixed assets (continued)
The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £3,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10.0% per annum
Computer equipment	25.0% per annum
Motor vehicles	20.0% per annum

Leased assets
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.

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 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and also the volume of items and valuation issues mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 August 2014 and valued at over £10k are capitalised and recognised in the Balance Sheet at the cost or, where the assets are donated, at valuation on receipt of these assets where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Expenditure which is required to preserve or prevent further deterioration of individual items within the heritage assets is recognised in the Consolidated Statement of Comprehensive Income and Expenditure when it is incurred. The Colleges' management policy in respect of its heritage asset is summarised in note 9.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

For the purposes of the group accounts disposals of all interests in land (not used for operational educational purposes) within the group are disclosed separately. In addition, all Interests in land (not used for operational purposes) will be consolidated as investments. Land used for operational purposes will continue to be recognised in fixed assets.

Stocks

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

Debtors

Short term debtors are measured at transaction price, less impairment.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Statement of Principal Accounting Policies (continued)

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.

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 Consolidated Statement of Comprehensive Income and Expenditure.

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 Consolidated Statement of Comprehensive Income and Expenditure. 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.

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 Consolidated Statement of Comprehensive Income and Expenditure in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Statement of Principal Accounting Policies (continued)

Financial Liabilities (continued)

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.

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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Taxation

The College is a registered charity (number 1137457). It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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

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 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.

Statement of Principal Accounting Policies (continued)

Pension costs

Universities Superannuation Scheme (USS)

The College participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the Consolidated Statement of Comprehensive Income and Expenditure.

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the scheme provided by USS 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 financial statements.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Other pension schemes

The College also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the College. The annual contributions payable are charged to the Consolidated Statement of Comprehensive Income and Expenditure.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In order to calculate the discounted pension liability, the College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension costs (continued)

Critical accounting estimates and areas of judgement (continued)

The present value of the CCFPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102.

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.

Legacy accounting

For legacies, entitlement is taken as the earlier of the date of which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the College that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

PETERHOUSE

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024				2023			
		Unrestricted	Restricted	Restricted Permanent Endowment	Total	Unrestricted	Restricted	Restricted Permanent Endowment	Total
Income		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Academic fees and charges	1	2,661	69	-	2,730	2,471	98	-	2,569
Accommodation, catering and conferences	2	3,704	-	-	3,704	3,317	-	-	3,317
Investment income	3	7,110	25	458	7,593	6,705	22	413	7,140
Endowment return transferred	3	-	635	(635)	-	-	572	(572)	-
Other income		90	-	-	90	111	-	-	111
Total income before donations and endowments		**13,565**	**729**	**(177)**	**14,117**	**12,604**	**692**	**(159)**	**13,137**
Donations		169	732	-	901	160	636	-	796
New endowments		-	-	2,588	2,588	-	-	19	19
Total income		**13,734**	**1,461**	**2,411**	**17,606**	**12,764**	**1,328**	**(140)**	**13,952**
Expenditure									
Education	4	6,087	983	-	7,070	5,604	980	-	6,584
Accommodation, catering and conferences	5	6,340	79	-	6,419	5,962	78	-	6,040
Other expenditure	6	2,722	2	22	2,746	2,621	1	21	2,643
Net change in USS deficit recovery provision	16	(1,123)	-	-	(1,123)	(20)	-	-	(20)
Contribution under Statute G, II		197	-	-	197	201	-	-	201
Total expenditure	7	**14,223**	**1,064**	**22**	**15,309**	**14,368**	**1,059**	**21**	**15,448**
(Deficit)/Surplus before other gains and losses		**(489)**	**397**	**2,389**	**2,297**	**(1,604)**	**269**	**(161)**	**(1,496)**
Gains on investments applied to income	10	611	10	177	798	542	8	159	709
(Deficit)/Surplus before other gains and losses applied to income		**122**	**407**	**2,566**	**3,095**	**(1,062)**	**277**	**(2)**	**(787)**
Gain/(loss) on investments	10	6,635	58	1,023	7,716	(13,452)	7	125	(13,320)
Surplus/(deficit)/for the year		**6,757**	**465**	**3,589**	**10,811**	**(14,514)**	**284**	**123**	**(14,107)**
Other comprehensive income									
Miscellaneous capital and non-operational receipts		-	-	-	-	8,913	-	-	8,913
Actuarial loss in respect of pension schemes	16	143	-	-	143	213	-	-	213
Total comprehensive income for the year		**6,900**	**465**	**3,589**	**10,954**	**(5,388)**	**284**	**123**	**(4,981)**

The notes on pages 29 to 48 form part of these accounts.

PETERHOUSE

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2024

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2022	**331,870**	**6,875**	**16,548**	**355,293**
Surplus from income and expenditure statement	(14,514)	284	123	(14,107)
Other comprehensive income	9,126	-	-	9,126
Balance at 30 June 2023	**326,482**	**7,159**	**16,671**	**350,312**

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2023	**326,482**	**7,159**	**16,671**	**350,312**
Surplus from income and expenditure statement	6,757	465	3,589	10,811
Other comprehensive income	143	-	-	143
Balance at 30 June 2024	**333,382**	**7,624**	**20,260**	**361,266**

The notes on pages 29 to 48 form part of these accounts.

PETERHOUSE
CONSOLIDATED AND COLLEGE BALANCE SHEET
AS AT 30 JUNE 2024

	Note	2024 Consolidated £'000	2024 College £'000	2023 Consolidated £'000	2023 College £'000
Non-current Assets					
Fixed assets	9	121,157	121,157	120,021	120,021
Investments	10	261,323	260,948	253,534	253,113
		382,480	**382,105**	**373,555**	**373,134**
Current assets					
Stocks	11	456	456	454	454
Trade and other receivables	12	5,981	6,411	2,834	3,284
Cash and cash equivalents	13	3,068	2,446	7,264	4,925
		9,505	**9,313**	**10,552**	**8,663**
Creditors: amounts falling due within one year	14	(3,529)	(3,405)	(5,253)	(3,414)
Net current assets		**5,976**	**5,908**	**5,299**	**5,249**
Total Assets less current liabilities		**388,456**	**388,013**	**378,854**	**378,383**
Creditors: amounts falling due after more than one year	15	(25,887)	(25,887)	(25,887)	(25,887)
Provisions					
Pension provisions	16	(1,303)	(1,303)	(2,655)	(2,655)
Total net assets		**361,266**	**360,823**	**350,312**	**349,841**
Restricted reserves					
Income and expenditure reserve – endowment reserve	17	20,260	20,260	16,671	16,671
Income and expenditure reserve – restricted reserve	18	7,624	7,624	7,159	7,159
Total Restricted reserves		**27,884**	**27,884**	**23,830**	**23,830**
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		333,382	332,939	326,482	326,011
Total Reserves		**361,266**	**360,823**	**350,312**	**349,841**

The accompanying notes on pages 29 to 48 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 25th November and signed on their behalf by:

M.A. Parker

Professor M.A. Parker

Master

Mr I.N.M. Wright

Senior Bursar

PETERHOUSE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 £'000	2023 £'000
Net cash outflow from operating activities	19	(7,074)	(1,960)
Cash flows from investing activities	20	3,201	(3,643)
Cash flows from financing activities	21	(1,156)	(1,162)
Decrease in cash and cash equivalents in the year		**(5,029)**	**(6,765)**
Cash and cash equivalents at beginning of the year		8,106	14,871
Cash and cash equivalents at end of the year	**22**	**3,077**	**8,106**

The notes on pages 29 to 48 form part of these accounts.

1. Academic fees and charges

	2024 £'000	2023 £'000
College Fees		
Fee income received at the Regulated Undergraduate rate	979	973
Fee income received at the Unregulated Undergraduate rate	794	714
Fee income received at the Graduate rate	678	589
Other income	279	293
	2,730	2,569

2. Income from accommodation, catering and conferences

		2024 £'000	2023 £'000
Accommodation	College members	2,378	2,303
	Conferences	428	306
Catering	College Members	399	385
	Conferences	499	323
Total		3,704	3,317

3. Total return and investment income

3a. Analysis

	2024 £'000	2023 £'000
Income from:		
Land and buildings	5,024	4,808
Quoted Pooled Property Funds	218	218
Quoted securities	1,833	1,623
Other interest receivable	518	491
Total	7,593	7,140
Total endowment return applied to income	**635**	**572**
Land and buildings	5,024	4,808
Quoted Pooled Property Funds	195	192
Quoted securities	1,398	1,236
Other interest receivable	518	491
Less excess of total return over income received	(177)	(159)
Total	7,593	7,140

3b. Summary of total return

	2024 £'000	2023 £'000
Income from:		
Quoted Pooled Property Funds	23	26
Quoted Securities	435	387
	458	413
Gains/(losses) on investment assets:		
Quoted Securities and Pooled Property Funds	1,200	284
Investment management costs	(22)	(21)
Total return for year	1,636	676
Total return transferred to income and expenditure reserve (see note 17)	(635)	(572)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 17)	1,001	104

3c. Investment management costs

	2024 £'000	2023 £'000
Land and buildings	195	131
Quoted securities – equities	100	94
Total	295	225

4. Education expenditure

	2024 £'000	2023 £'000
Teaching	2,258	2,082
Tutorial	986	888
Admissions	729	631
Research	1,144	1,182
Scholarships and awards	1,014	935
Other educational facilities	939	866
Total	7,070	6,584

5. Accommodation, catering and conferences expenditure

		2024 £'000	2023 £'000
Accommodation	College members	3,891	3,650
	Conferences (including meeting rooms)	399	281
Catering	College Members and staff	1,636	1,797
	Conferences	493	312
Total		6,419	6,040

6. Other Expenditure

	2024 £'000	2023 £'000
Loan interest	1,156	1,162
USS pension interest charge	25	46
FRS 102 pension schemes interest charge	80	68
Investment management fees and administration	100	94
Property management fees and administration	195	131
Other property costs	659	646
Other general and administrative	531	496
Subtotal	2,746	2,643
Contribution under Statute G,II	197	201
Total	2,943	2,844

7a. Analysis of 2023/2024 expenditure by activity

	Staff costs (Note 8) £'000	Other Operating Expenses £'000	Depreciation £'000	2024 Total £'000
Education	3,173	3,196	701	7,070
Accommodation, catering and conferences	2,737	1,912	1,770	6,419
Other	302	2,641	-	2,943
Net change in USS deficit recovery provision (see note 16)	(1,123)	-	-	(1,123)
Total	5,089	7,749	2,471	15,309

7b. Analysis of 2022/2023 expenditure by activity

	Staff costs (Note 8) £'000	Other Operating Expenses £'000	Depreciation £'000	2023 Total £'000
Education	3,000	2,816	768	6,584
Accommodation, catering and conferences	2,560	1,516	1,964	6,040
Other	309	2,535	-	2,844
Net change in USS deficit recovery provision (see note 16)	(20)	-	-	(20)
Total	5,849	6,867	2,732	15,448

Other expenditure includes fundraising costs of £186k (2023: £139k). This expenditure does not include the costs of alumni relations.

7c. Auditors remuneration

Other operating expenses include:	2024 £'000	2023 £'000
Audit fees payable to the College's external auditors	22	25
Other fees payable to the College's external auditors	-	-
Total	22	25

8. Staff and external teaching costs

	College Fellows 2024 £'000	Academic 2024 £'000	Non Academic 2024 £'000	Total 2024 £'000
Staff and external teaching costs:				
Emoluments	1,333	-	3,662	4,995
External teaching costs	-	239	-	239
Social Security costs	137	-	332	469
Subtotal	1,470	239	3,994	5,703
Other pension costs	221	-	331	552
Net change in USS deficit recovery provision (see note 16)	(1,166)	-	-	(1,166)
Subtotal of pension costs (see note 8b)	(945)	-	331	(614)
Total	525	239	4,325	5,089

College Fellows include Academic Emoluments (£1,088k), Social Security costs (£107k), Other pension costs (£184k).

Based on the 2024 valuation of the Universities Superannuation Scheme (USS), the impact of the net change in the USS deficit recovery provision is a credit of £1,166k (2023: £105k). This comprises a non-cash credit resulting from the change in assumptions, including the discount rate, of £1,123k (2023: £20k) and cash contributions made to reduce the deficit in the year of £43k (2023: £84k).

	College Fellows 2023 £'000	Academic 2023 £'000	Non Academic 2023 £'000	Total 2023 £'000
Staff and external teaching costs:				
Emoluments	1,329	-	3,343	4,672
External teaching costs	-	224	-	224
Social Security costs	141	-	308	449
Subtotal	1,470	224	3,651	5,345
Other pension costs	253	-	356	609
Net change in USS deficit recovery provision	(105)	-	-	(105)
Subtotal of pension costs (see note 8b)	148	-	356	504
Total	1,618	224	4,007	5,849

College Fellows include Academic Emoluments (£1,066k), Social Security costs (£108k), Other pension costs (£115k).

Average number of staff:	2024	2023
Academic (Full-time)	17	19
Academic (Part-time)	67	65
Non-academic (Full-time)	73	71
Non-academic (Part-time)	48	50
Total	205	205

The Governing Body comprised 37 Fellows, of which 34 are stipendiary.

8. Staff and external teaching costs (continued)

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

From	To	2024 Number	2023 Number
£100,001	£110,000	2	1
£110,001	£120,000	-	-
£120,001	£130,000	2	3
£130,001	£140,000	-	1

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

8a. Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. During the year there were 3 (2023: 3) members of the key management team and total remuneration (including employer's pensions and employer's national insurance contributions) and other benefits were £361,000 (2023: £384,000).

The Trustees received no remuneration in their capacity as Trustees of the Charity.

8b. Pension costs

The total pension cost included in staff costs for the year (see note 8) was:

	Employer contributions 2024 £000	Provisions (Note 16) 2024 £000	Total 2024 £000	Employer contributions 2023 £000	Provisions (Note 16) 2023 £000	Total 2023 £000
USS	218	(1,123)	(905)	209	(20)	189
CCFPS	138	-	138	176	-	176
Other	153	-	153	139	-	139
Total	509	(1,123)	(614)	524	(20)	504

9. Fixed assets

Group and College	Land and buildings £'000	Equipment £'000	2024 Total £'000	2023 Total £'000
Cost/valuation				
At beginning of year	136,334	3,315	139,649	136,725
Additions	3,405	202	3,607	2,924
At end of year	139,739	3,517	143,256	139,649
Accumulated depreciation				
At beginning of year	18,082	1,546	19,628	16,896
Charge for the year	2,264	207	2,471	2,732
At end of year	20,346	1,753	22,099	19,628
Net book value				
At 30 June 2024	119,393	1,764	121,157	120,021
At 1 July 2023	118,252	1,769	120,021	119,829

The insured value of freehold land and buildings as at 30 June 2024 was £171m (2023: £159m).

The College has not made any heritage asset acquisitions since 1 August 2014 and, therefore, has not included any heritage assets in the Balance Sheet. Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

10. Investments

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
At beginning of year	253,534	253,113	262,062	261,620
Additions	4,885	4,885	45,027	45,027
Disposals	(4,100)	(4,100)	(28,255)	(28,255)
Gain/(loss) on investments	7,716	7,762	(13,320)	(13,299)
Decrease in cash balances held at fund managers	(712)	(712)	(11,980)	(11,980)
At end of year	261,323	260,948	253,534	253,113

Represented by:	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Property	179,550	178,715	175,095	174,260
Pooled Property Funds	3,519	3,519	3,763	3,763
Quoted securities – securities	75,405	75,405	69,579	69,579
Loans and fixed interest securities	2,657	2,657	4,147	4,147
Investment in subsidiary undertakings	-	460	-	460
Cash in hand and at investment mangers	192	192	904	904
Other investments	-	-	46	-
	261,323	260,948	253,534	253,113

Investment assets and endowment assets are managed as a single pool and are both included within the note above.

The investment in subsidiaries represents 100% of the issued share capital of Peterhouse Enterprises Limited ("PEL"), and Peterhouse Conference and Events Limited ("PCEL"). All companies are registered in the United Kingdom.

PEL develops property and holds property for rental. Any taxable revenue surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2024 the company had share capital and reserves totalling £409,945 (2023: £475,128) and the (loss)/ profit after tax (but before deed of covenant) for the year then ended was £-16,090 (2023: £8,911,471).

PCEL runs conference and events facilities. Any taxable surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2023 the company had share capital and reserves totalling £1(2023: £1) and the profit after tax (but before deed of covenant) for the year then ended was £48,483 (2023: £44,177).

The Group has an investment through Manor Farm Stretham LLP in a residential housing development in Cambridgeshire. PEL holds an investment at cost of £Nil (2023: £46k) in the LLP. Manor Farm Stretham LLP had borrowed on commercial terms £2,657k at 30 June 2024 (2023: £4,147k) from the College.

The Group has an investment in a property called Fornham Business Court and this is partially funded by a loan from a third party (see note 15: Other loans).

11. Stocks and work in progress

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Other stocks	456	456	454	454

12. Trade and other receivables

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Members of the College	134	134	107	107
Amount due from subsidiary undertaking	-	471	-	494
Other receivables	1,336	1,295	1,143	1,109
Prepayments and accrued income	4,511	4,511	1,584	1,574
Total	5,981	6,411	2,834	3,284

13. Cash and cash equivalents

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank deposits	2,986	2,377	7,015	4,689
Current accounts	82	69	249	236
Total	3,068	2,446	7,264	4,925

14. Creditors: amounts falling due within one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank overdraft	183	183	62	62
Members of the College	323	323	194	194
Amounts due to subsidiary undertakings	-	-	-	-
University fees	81	81	321	321
Contribution to Colleges Fund	197	197	201	201
Other Creditors (e.g. VAT)	1,859	1,783	3,825	1,998
Accruals and deferred income	886	838	650	638
Total	3,529	3,405	5,253	3,414

15. Creditors: amounts falling due after more than one year

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Bank loans	24,000	24,000	24,000	24,000
Other loans	1,887	1,887	1,887	1,887
	25,887	25,887	25,887	25,887

Included within creditors due in more than one year are the following loans and facilities:

£8 million due for repayment by 27/02/2031. The loan bears fixed interest rates of 4.345% on £1 million, 4.415% on £2 million and 4.575% on £5 million.

£16 million due for repayment by 12/11/2057. The loan bears fixed interest rates of 4.970% on £8 million and 5.005% on £8 million.

16. Pension Provisions

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Balance at beginning of year	**2,655**	**2,655**	**2,962**	**2,962**
Movement in year:				
Current service cost including life assurance	356	356	385	385
Contributions	(504)	(504)	(488)	(488)
Other finance cost	105	105	114	114
Actuarial loss/(gain) recognised in Consolidated Statement of Comprehensive Income and Expenditure	(143)	(143)	(213)	(213)
Net change in underlying assumptions (see note 8)				
- Change in underlying assumptions	(1,123)	(1,123)	(20)	(20)
- USS deficit contributions payable	(43)	(43)	(85)	(85)
Balance at end of year	1,303	1,303	2,655	2,655

Split as follows:

CCFPS Pension Provisions

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Balance at beginning of year	**1,514**	**1,514**	**1,762**	**1,762**
Movement in year:				
Current service cost including life assurance	138	138	176	176
Contributions	(286)	(286)	(279)	(279)
Other finance cost	80	80	68	68
Actuarial loss/(gain) recognised in Consolidated Statement of Comprehensive Income and Expenditure	(143)	(143)	(213)	(213)
Balance at end of year	1,303	1,303	1,514	1,514

16. Pension Provisions (continued)

USS
Pension Provisions

	Group 2024 £'000	College 2024 £'000	Group 2023 £'000	College 2023 £'000
Balance at beginning of year	1,141	1,141	1,200	1,200
Movement in year:				
Current service cost including life assurance	218	218	209	209
Contributions	(218)	(218)	(209)	(209)
Other finance cost	25	25	46	46
Net change in underlying assumptions (see note 8)				
- Change in underlying assumptions	(1,123)	(1,123)	(20)	(20)
- USS deficit contributions payable	(43)	(43)	(85)	(85)
Balance at end of year	-	-	1,141	1,141

17. Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent Endowments 2024 Base Value £'000	Restricted Permanent Endowments 2024 Unapplied return £'000	Restricted Permanent Endowments 2024 Total £'000	Restricted Permanent Endowments 2023 Total £'000
Group and College				
Balance at beginning of year	16,266	405	16,671	16,548
Increase/(decrease) in market value of investments	-	1,200	1,200	284
Investment income	-	458	458	413
Management charges	-	(22)	(22)	(21)
Endowment return transferred to other unspent restricted income	-	(635)	(635)	(572)
New donations and endowments	2,588	-	2,588	19
Movement in Year	2,588	1,001	3,589	123
Balance at end of the year	18,854	1,406	20,260	16,671

17. Endowment funds (continued)

	Restricted Permanent Endowments 2024 Base Value £'000	Restricted Permanent Endowments 2024 Unapplied return £'000	Restricted Permanent Endowments 2024 Total £'000	Restricted Permanent Endowments 2023 Total £'000
Analysis by type of purpose:				
Research, studentship, scholarship funds	15,473	1,120	16,593	13,269
Student hardship	2,359	201	2,560	2,388
Prizes	454	37	491	442
Travel grants	333	29	362	342
Library fund	75	6	81	71
Garden fund	145	12	157	144
Kelvin fund	15	1	16	15
	18,854	1,406	20,260	16,671
Analysis by asset:				
Investments	16,354	1,406	17,760	16,671
Trade and other receivables	2,500	-	2,500	-
	18,854	1,406	20,260	16,671

18. Restricted Reserves

Reserves with restrictions for the current year are as follows (full comparatives follow on the next page):

Group and College

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2024 Total £'000	2023 Total £'000
Balance at beginning of year	**411**	**6,748**	**7,159**	**6,875**
Application of total return on Endowment return transferred	635	-	635	572
Transfer of Income	(602)	602	-	-
Increase/(decrease) in market value of investments	-	68	68	15
Investment income	-	25	25	22
Management charges	-	(2)	(2)	(1)
New grants and other income	-	69	69	98
New donations	-	732	732	636
Expenditure	-	(1,062)	(1,062)	(1,058)
Movement in the year	33	432	465	284
Balance at end of year	444	7,180	7,624	7,159

18. Restricted Reserves (continued)

Analysis of other restricted funds/ donations by type of purpose:

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2024 Total £'000	2023 Total £'000
Music	-	72	72	66
Works of art	-	8	8	8
Research, studentship, scholarship funds	213	1,277	1,490	1,127
Student hardship	175	440	615	522
Boat club fund	-	528	528	467
Cricket club	-	3	3	3
Prizes	39	17	56	51
Perne library	-	16	16	18
Travel grants	1	44	45	42
Library fund	4	42	46	34
Garden Fund	11	-	11	5
Chapel	-	1,153	1,153	1,176
Lectures	-	50	50	49
Kelvin Fund	1	-	1	1
Buildings fund	-	3,530	3,530	3,590
	444	7,180	7,624	7,159

19. Reconciliation of consolidated surplus for the year to net cash outflow from operating activities

	2024 £'000	2023 £'000
(Deficit)/surplus for the year	10,811	(14,107)
Adjustment for non-cash items:		
Depreciation	2,471	2,732
Loss/(gain) on endowments and investments	(7,716)	13,320
Decrease/(increase) in stock	(2)	(33)
(Increase)/decrease in trade and other receivables	(3,147)	(200)
(Decrease)/increase in creditors	(1,845)	2,400
Pension costs less contributions payable	(1,209)	(94)
Adjustment for investing or financing activities:		
Investment Income	(7,593)	(7,140)
Loan interest payable	1,156	1,162
Net cash outflow from operating activities	(7,074)	(1,960)

20. Cash flows from investing activities

	2024 £'000	2023 £'000
Non-current investment disposal	4,100	37,168
Investment income	7,593	7,140
Endowment funds invested	(4,885)	(45,027)
Payments to acquire tangible fixed assets	(3,607)	(2,924)
Total cash flows from investing activities	3,201	(3,643)

21. Cash flows from financing activities

	2024 £'000	2023 £'000
Interest paid	(1,156)	(1,162)
Net cash outflow from financing activities	(1,156)	(1,162)

22. Analysis of cash and cash equivalents

	At beginning of year £'000	Cash flows £'000	At end of year £'000
Bank overdraft	(62)	(121)	(183)
Cash at bank and in hand	7,264	(4,196)	3,068
Cash at investment managers	904	(712)	192
Net Funds	8,106	(5,029)	3,077

23. Pension Schemes

The total pension cost for the College for the year to 30 June shown in notes 8 and 8b was as follows:

	2024 £'000	2023 £'000
USS: Charged to Consolidated Statement of Comprehensive Income and Expenditure	218	209
CCFPS: Charged to Consolidated Statement of Comprehensive Income and Expenditure	138	176
CCGPS: Defined Contribution Scheme Employer contributions	153	139
Net change in USS deficit recovery provision	(1,123)	(20)
	(614)	504

The schemes are as follows:

23. Pension Schemes (continued)

Universities Superannuation Scheme (USS)

Deficit recovery contributions due within one year for the institution are £nil (prior year: £91k).

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%. As set out in Note 16, 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 Consolidated Statement of Comprehensive Income and Expenditure.

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2023 (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 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 in the Statement of Funding Principles (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%)	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
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% 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

23. Pension Schemes (continued)

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College operates a defined benefits 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 were as follows:

	30 June 2024 % p.a.	30 June 2023 % p.a.
Discount rate	5.10	5.20
Increase in salaries to 2030	2.85	3.30
Increase in salaries from 2030	3.75	3.30
Retail Prices Index (RPI) assumption	3.35	3.40*
Consumer Prices Index (CPI) assumption to 2030	2.35	2.80*
Consumer Prices Index (CPI) assumption from 2030	3.25	2.80*
Pension increases in payment (RPI max 5% p.a.)	3.15	3.30*
Pension increases in payment (CPI max 2.5% p.a.)	2.00	2.05*

* For 1 year only, we have assumed that RPI will be 9% and CPI will be 7%. 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:

	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 these calculations.

23. Pension Schemes (continued)

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

	30 June 2024 £'000	30 June 2023 £'000
Present value of plan liabilities	(11,601)	(11,295)
Market Value of plan assets	10,299	9,781
Net defined benefit liability	**(1,302)**	**(1,514)**

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

	30 June 2024 £'000	30 June 2023 £'000
Current service cost	118	156
Administrative expenses	20	20
Interest on net defined benefit liability	80	68
Total	**218**	**244**

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:

	30 June 2024 £'000	30 June 2023 £'000
Present value of plan liabilities at beginning of period	11,295	13,164
Current service cost (including Employee contributions)	170	205
Benefits paid	(428)	(428)
Interest on plan liabilities	581	496
Actuarial (gains)/losses	(15)	(2,142)
Present value of plan liabilities at end of period	**11,603**	**11,295**

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:

	30 June 2024 £'000	30 June 2023 £'000
Market value of plan assets at beginning of period	9,782	11,403
Contributions paid by the College	286	279
Employee contributions	51	49
Benefits paid	(428)	(428)
Administrative expenses paid	(25)	(29)
Interest on plan assets	501	428
Return on assets, less interest included in Income & Expenditure	133	(1,920)
Market value of plan assets at end of period	10,300	9,782
Actual return on plan assets	633	(1,492)

23. Pension Schemes (continued)

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

	2024	2023
Equities	46%	49%
Bonds and cash	42%	38%
Property	12%	13%

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

Analysis of the re-measurement 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:

	2024 £'000	2023 £'000
Return on assets, less interest included in Income & Expenditure	133	(1,920)
Expected less actual plan expenses	(5)	(9)
Experience gains and losses arising on plan liabilities	(42)	(911)
Changes in assumptions underlying the present value of plan liabilities	57	3,053
Remeasurement of net defined benefit liability recognised in OCI	143	213

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:

	2024 £'000	2023 £'000
Net defined benefit liability at beginning of year	(1,514)	(1,762)
Recognised in Income and Expenditure	(218)	(244)
Contributions paid by the College	286	279
Remeasurement of net defined benefit liability recognised in OCI	143	213
Net defined benefit liability at end of year	**(1,303)**	**(1,514)**

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 were incorporated into the plan's latest Schedule of Contributions dated 3 June 2024 and are as follows:

- Annual contributions of not less than £91,513 per annum payable for the period from 1 July 2024 to 31 October 2029.

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

Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £153k (2023: £139k).

24. Capital Commitments

	2024 £'000	2023 £'000
Capital commitment at 30 June are as follows:		
Authorised and contracted	829	265

25. Operating Leases

Operating Leases - Lessor

At 30 June the College had granted non-cancellable operating leases in respect of its freehold investment properties as follows:

	2024 £'000	2023 £'000
Receivable within one year	4,204	3,791
Receivable between two and five years	11,494	10,581
Receivable in over five years	160,916	154,758
	176,614	169,130

Operating Leases – Lessee

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

	2024 £'000	2023 £'000
Payable within one year	12	10
Payable between two and five years	14	22
	26	32

26. Consolidated reconciliation and analysis of net debt

	At 1 July 2023 £'000	Cash Flows £'000	At 30 June 2024 £'000
Cash at investment managers	904	(712)	192
Cash and cash equivalents	7,264	(4,196)	3,068
Borrowings-			
Amounts falling due within one year:			
Bank overdraft	(62)	(121)	(183)
Borrowings-			
Amounts falling due after more than one year:			
Unsecured bank loans	(24,000)	-	(24,000)
Unsecured other loans	(1,887)	-	(1,887)
Net total debt	**(17,781)**	**(5,029)**	**(22,810)**

27. Related Party Transactions

No disclosure of transactions with Peterhouse Enterprises Limited or Peterhouse Conference and Events Limited has been made as those financial statements at 30 June 2024 have been consolidated within these accounts.

Trustees are required to make disclosure of potential conflicts of interest at all College Committee meetings. A register of interests for all Trustees is maintained by the College.

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

The Trustees are remunerated for specific College offices which have associated duties of Teaching, Tutorial, Research, and Administration. The Trustees remuneration is overseen by the Remuneration Committee. This Committee consists of three independent members.

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

From	To	2024 Number	2023 Number
£1	£10,000	9	10
£10,001	£20,000	9	9
£20,001	£30,000	6	3
£30,001	£40,000	2	4
£40,001	£50,000	1	-
£50,001	£60,000	1	1
£60,001	£70,000	1	1
£70,001	£80,000	1	1
£80,001	£90,000	2	1
£90,001	£100,000	2	3
	Total	**34**	**33**

The total Trustee salaries were £975,000 for the year (2023: £984,000).

The Trustees were also paid other taxable benefits (including employer contributions to pensions) which totalled £199,000 (2023: £226,000).

The Trustees also received grants from the College towards their research totalling £49,000 (2023: £38,000).

Travel and other business expenses reimbursed by Trustees in their capacity as officers of the College totalled £21,000 (2023: £12,000).

The Trustees are entitled to a daily meal at College expense.

No trustees had loans with the College at the year end.

Due to the nature of the College's operations and the composition of its Governing Body, it is inevitable that the College will enter into transactions in the normal course of business with the University of Cambridge, Colleges, Research Councils, other grant-awarding bodies, and other private and public sector organisations in which members of the Governing Body may have an interest. All transactions involving organisations in which members of Governing Body may have such an interest are conducted in accordance with the College's financial regulations and usual procurement procedures, and where material are separately disclosed below.

27. Related Party Transactions (continued)

There are 31 Colleges, each of which is an independent corporation with its own property and income. Each College publishes its own financial statements in a form specified by the University of Cambridge. The College pays levies to support the activity of the Office of Intercollegiate Services (OIS). The OIS is responsible primarily for arranging support services to the 31 colleges of the Collegiate University (Cambridge).

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2024 these fees total £6,891k (2023: £6,346k). During the year the University paid Peterhouse from these fees sums totalling £1,604k (2023: £1,518k) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year Peterhouse made a contribution under Statute G, II of £201k (2023: £202k) into the Colleges Fund. The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. Peterhouse administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £125k to this scheme (2023: £112k). In the course of its charitable activities, Peterhouse also pays the University of Cambridge for printing, network and other services. In addition, Peterhouse periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

28. Contingent Liability

Peterhouse has entered into a collaboration agreement with a Cambridgeshire landowner in respect of land that both parties are promoting jointly to look to market and develop and the arrangements in place, signed in 2011, do mean that equalisation payments will flow in future as land is sold to ensure that both parties realise the same value per acre.

THE MASTER (OR KEEPER) AND FELLOWS OF PETERHOUSE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137457

Accounts

PETERHOUSE

FOR THE YEAR ENDED
30 JUNE 2023

PETERHOUSE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Contents

	Page
Reference and Administrative Details	2
Senior Officers and Advisors	3
Operating Review	4 - 6
Financial Review	7 - 11
Corporate Governance and Statement of Internal Control	12 - 13
Responsibilities of the Governing Body	14
Report of the Auditors	15 – 17
Statement of Principal Accounting Policies	18 – 24
Consolidated Income and Expenditure Account	25
Statement of Changes in Reserves	26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Accounts	29 – 47

PETERHOUSE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2023

Address

Peterhouse
Trumpington Street
Cambridge
CB2 1TP

Charity Registration number: 1137457

Members of the Governing Body who served during the year

Ms B Kendall MBE (Master)

Dr S.N. Solomou
Professor M.A. Parker
Professor P.C. Woodland
Professor S.F. Deakin
Professor S.E. Jackson
Professor B.P. Simms
Professor M.C. Jones
Dr J.N.B. Carleton Paget
Dr J.M.B. Wallace
Mr S.H. Mandelbrote
Dr A.J. White
Professor P.A. Midgley
Dr R.I. Ross Russell
Dr M.J. Ryan
The Revd Dr S.W.P. Hampton
Dr A Zsák
Dr C.G. Lester
Dr S.M. Murk Jansen
Professor M Moriarty
Professor S.K. Connor (resigned 30 September 2022)
Mr I.N.M. Wright
Dr J.P. Talbot
Dr T.K. Dickens
Professor R.J. Holton
Dr A. Haldar
Professor J.E. Robb
Dr S.J. Lunn-Rockcliffe
Dr G. Christie
Dr T. Long
Dr N.A.S. Zair
Dr G.L. Thomas
Dr LS Slater
Dr T Plesa
Dr G Gerlach
Dr H Porter
Dr T Rittman

PETERHOUSE
SENIOR OFFICERS AND ADVISORS
FOR THE YEAR ENDED 30 JUNE 2023

Current Senior Administrative Officers

Master:	Professor MA Parker
Senior Tutor:	The Revd Dr S.W.P. Hampton
Senior Bursar:	Mr I.N.M. Wright

Principal Legal Advisers

Mills & Reeve
Francis House
112 Hills Road
Cambridge
CB2 1PH

Property Managers

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Encore Group
2 Hills Road
Cambridge
CB2 1JP

Investment Advisors/ Fund Custodian

Cantab Asset Management Ltd
50 Station Road
Cambridge
CB1 2JH

AJ Bell Investcentre
4 Exchange Quay
Salford Quays
Manchester
M5 3EE

Auditors

Price Bailey LLP
Chartered Accountants and Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers

Barclays Bank PLC
Cambridge Business Centre
Cambridge
CB2 3PZ

Tax Advisor

PEM
Salisbury House,
Station Road
Cambridge
CB1 2LA

PETERHOUSE
OPERATING REVIEW
FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The commentary that follows is intended to give the readers of the financial statements an overview of the finances and operations of Peterhouse and its subsidiaries.

The College is preparing its financial statements in accordance with Recommended Cambridge College Accounts (RCCA) format which has adopted FRS 102.

Scope of the Financial Statements

The consolidated financial statements cover the education, research and religious activities of Peterhouse and also its subsidiary companies. These subsidiaries undertake activities which for legal or commercial reasons are more appropriately carried out by limited companies. The subsidiary companies are listed in note 10.

About the College

Peterhouse is an autonomous, self-governing community of scholars and is the oldest of the 31 colleges within the University of Cambridge.

Formally "The Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge", Peterhouse is a charitable corporation established by Letters Patent dated 31 March, 1284 and granted royal assent by Charter of King Edward I on 28 May, 1285. The College is a registered charity (No. 1137457), with its principal address at Trumpington Street, Cambridge, CB2 1RD.

The College is governed in accordance with its Statutes, made in 1926 and variously amended from time to time by Order of Her Majesty in Council. The Statutes of the University of Cambridge and specific legislation covering the University of Cambridge also apply to the College.

The Statutes of the College lay down the constitution and arrangements for governance of the College. They describe, among other things, the membership and responsibilities of the Governing Body; the election and duties of the Master; the election, admission, tenure and removal of Fellows; and the appointment and duties of College Officers. The Statutes are supplemented by orders for the regulation of the College's affairs, made by the Governing Body in accordance with the Statutes.

The Visitor of the College is the Bishop of Ely.

Aims and objectives of the College

The "laudable design" of Hugo de Balsham, as expressed in the College's founding instruments, was "to introduce scholars in the schools, who are to live together and study in the University of Cambridge; to dwell in the same [College] for ever, and employ themselves with appropriate study, to the praise of God and the perpetual augmentation of the same university."

This forms the basis for the College's statutory purpose, namely to advance education, religion, learning and research through the provision of a College in the University of Cambridge.

As part of a collegiate university, the long-term success of the College, as a centre of academic and educational excellence, is dependent upon the continuance of the University of Cambridge's world-class standing.

Public benefit

The College pursues its charitable objects (to advance education, religion, learning and research) for the public benefit through a wide variety of activities, including:

- admitting undergraduates from a diverse range of educational, social and cultural backgrounds for University courses and admitting graduate students from those accepted by the University;
- providing, in conjunction with the University, a world-class education for undergraduates, particularly through College-based individual or small-group supervision and direction of studies;
- supporting students financially and rewarding excellence and achievement through the provision of bursaries, scholarships, prizes and a range of grants, as well as assisting students in particular financial hardship;
- providing pastoral, administrative and academic support for both undergraduates and graduate students through the Tutorial system and other welfare mechanisms;
- providing library, computing, cultural, musical, sporting and social facilities to enable students to achieve their full potential both academically and otherwise;
- supporting students and Fellows by providing accommodation, catering and other services which also underpin the concept of a multi-disciplinary academic community;
- promoting academic research of the highest quality through annual competitions for election to Research Fellowships and Research Studentships, through supporting the research activities of both Fellows and graduate students, and welcoming academic visitors from other institutions;
- maintaining services in the Chapel regularly during Full Term, promoting the activities of the Choir and fostering the spiritual welfare of College members irrespective of denomination or faith;
- preserving and enhancing the endowments and benefactions, historic buildings and grounds of the College for the benefit of future generations;
- providing access to some of the College's facilities and educational resources to conference guests and also to the general public at times when they are not in use by College members.

Funding

The sources of income of Peterhouse are:

- Fees charged to students for tuition, accommodation and use of other College facilities and services;
- Income from services provided to external customers, including conference activity;
- Benefactions and donations for current use;
- Investment income from our accumulated endowment and other assets.

Achievements and performance

Education
Whilst the impact of the Covid-19 pandemic was still felt during the year, the College continued to deliver teaching to support the University courses and examinations, and this was delivered in-person.

78 full time undergraduates were admitted in the year 2022-23 (2022: 82), bringing the total across all years to 291 (2022: 298); the new intake can be broken down as to 54/46% (2022: 55/45%) arts and sciences, and 47/53% (2022: 55/45%) male, female; the intake was composed of 55 (2022: 61) Home students and 23 (2022: 21) Overseas students; applicants are assessed on the basis of their potential as well as their achievements to date. The number of graduate students on the College's books totalled 188 (2022: 195), of whom 129 (2022: 130) were fee paying.

The College aims to provide supervision and direction of studies by its own Fellows in most of the principal subjects offered by the University; the existing Fellowship, who offer expertise in a wide range of subjects, continued to provide this, largely through small group supervision.

Most students were able to take examinations this year; 255 (2022: 266) undergraduates sat classed University examinations in 2023. However, owing to industrial action by certain staff within the University, the College does not have a full breakdown of these results at this time. 49 graduate students successfully completed an MPhil or other one-year graduate course (2022: 33), 5 (2022:9) completed clinical studies and 31 (2022: 28) satisfied the requirement for the degree of PhD.

73 (2022: 75) undergraduates – some 32.3% of those potentially eligible – received means-tested awards totalling £220k (2022: 226k) under the centralised Cambridge Bursary Scheme, with 39 (2022: 39) of the awards at the maximum value. The scheme is intended to ensure that no UK or EU student should be deterred from applying to Cambridge because of financial considerations. The Tutors deployed a further £200k (2022: £177k) to make loans and grants to support undergraduates facing particular financial hardship. Scholarships and prizes worth some £29k (2022: £65k) were awarded by the Governing Body to recognise and reward excellence and achievement, while grants for travel were £50k (2022: £45k). Grants to support student wellbeing were also awarded £12k (2022: £8k).

The College made grants totalling £75k (2022: £78k) to its official student bodies, the Sexcentenary Club (JCR) and Graduate Society to enable them to provide social and sporting support to their members.

The Ward Library added a further 1,443 (2022: 1,519) volumes during the year, on the recommendation of both Fellows and students and as a result of generous gifts; the project to update the catalogue of the College's rare book collections continued; and the College expanded its Library e-books services. Further improvements to facilities and accommodation were made: the completion of the full refurbishment to provide new accommodation in 39-40 Trumpington Street; and a programme of small bespoke works to improve kitchens and bathrooms in a number of listed properties. In addition, the Maintenance office and workshop were moved to allow for the continued remodelling of the College site in-line with a longer term Masterplan.

Research
Two Research Fellows specialising in Ancient History, and Chemistry were appointed through the annual competition, for an initial three year term, which took the total number of Research Fellows to 9 (2022: 9). These Fellowships enable outstanding academics at the early stages of their careers to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.

Covid extensions were granted to 2 existing holders of Research Studentships (2022: 7). On the recommendation of the Research Studentships Committee a further 7 (2022: 3) Research Studentships were awarded to graduate students on the basis of merit to cover their academic fees and maintenance expenses, bringing the total to 21 (2022: 24) and the annual cost of the scheme to £404k (2022: £477k). The Tutors made other grants and awards totalling £114k (2022: £99k) to graduate students in order to offset research and maintenance expenses.

Research allowances totalling £47k (2022: £45k) were provided in support of Fellows' research activities. 3 Bye-Fellow (one in Physics, one in Medicine, and one in Law), 3 Visiting Fellows (one in Engineering, one in Medieval and Early Modern Studies, and one in Chemistry), and five Senior Research Associates (one in Palaeography, and four in History), were appointed for varying terms. Four Research Associateships were also granted to post-doctoral workers at the University.

Religion
The Chapel occupied its usual place at the heart of the College's spiritual life, with a variety of religious services taking place regularly during Full Term, underpinned by Peterhouse's strong choral tradition. The College began to have regular in-person worship and hosted a number of events including a local Choral Academy. The College was able once again to support an annual spiritual retreat for its junior members and a Choir tour to France.

The College continued the further refurbishment of the Chapel's fabric, which included restoration of the stained glass, and preparations for the re-installing of the recently refurbished organ.

Additional information about the College's activities can be found in the Peterhouse Annual Record and the College newsletter, as well as on its website (www.pet.cam.ac.uk).

PETERHOUSE
FINANCIAL REVIEW
FOR THE YEAR ENDED 30 JUNE 2023

The financial statements for the year to 30 June 2023 have been prepared in accordance with using the Recommended Cambridge College Accounts (RCCA) format and the external auditors' opinion is unqualified. The College's two wholly-owned subsidiaries have all been consolidated. The two subsidiaries are: Peterhouse Enterprises Limited (PEL), which is engaged in property development, and Peterhouse Conferences and Events Limited, which manages certain Catering and Conference activities undertaken by the College in order to raise funds to further its charitable aims.

The College seeks to run the operating income and expenditure account at breakeven over the long term whilst gradually growing spend on its charitable activities and investing appropriately in its stock of buildings and operational infrastructure. To this end the College has continued to seek to expand and improve the range of services it offers to all its students and research community. However, while the Covid-19 pandemic continues to cast its shadow over the College's finances, the war in Ukraine and subsequent energy shock has created a period of further challenge and uncertainty. These factors have impacted on the finances of the College and the wider University sector and will continue to do so. The College continues to address these challenges by seeking to minimise energy costs and by investing in energy efficient technologies (subject to listing constraints) and by seeking the most effective end efficient way of delivering services.

The College remains committed to maintaining and preserving the historic buildings that underpin its charitable objectives and enrich its community. The College also seeks to maintain and gradually enhance its stock of operational properties, and has carried out a number of substantial projects during the year, including on-going refurbishment and restoration of the Organ and Chapel, a programme of small bespoke works to improve kitchens and bathrooms in undergraduate accommodation (in staircases in Old Court, Gisbourne Court, and Fitzwilliam Street), completion of the refurbishment of 39-40 Trumpington Street, which will increase student accommodation. In line with the College's strategic plan to develop and re-model the eastern side of the main College site and its Library, the Maintenance offices and workshop were moved to the rear of St Peter's Terrace (on the western side of the main College site).

This year the College showed an overall underlying accounting deficit before donations of £1,707k (2022: £992k deficit). The deficit increased by £715k on the previous year. Conference and Event activity recovered, but remained at levels lower than before the pandemic. This recovery did not compensate for extra costs incurred during the year, in particular, as a result of increased Utility costs and a one-off write down of the Cosin Court car park. After adjusting for a movement on the USS pension liability (£105k), this overall deficit reduced to £1,602k, an improvement of £58k.

The underlying deficit before donations partly reflects the fact that a number of initiatives are now being directly funded by gifts and donations. After adjusting for donations, the College showed a deficit of £787k. However, market conditions caused a decline in the value of our investment portfolio of £13.3m, but after adjusting for a non-operational receipt from the sale by a subsidiary of a beneficial interest in third party land (£8.9m), the decline would be £4.4m, a figure which more accurately reflects the overall capital loss on our investment portfolio in the year.

Simplified Income and Expenditure	**2023 Total £'000**	**2022 Total £'000**
Total income before donations and endowments*	13,846	12,977
Total expenditure	(15,553)	(13,969)
(Deficit) before donations and USS provision	**(1,707)**	**(992)**
USS provision	105	(668)
(Deficit)/Surplus before donations	**(1,602)**	**(1,660)**
Donations	796	949
New endowments	19	8
Surplus before other gains and losses	**(787)**	**(703)**
Gains on investments and assets	(13,320)	(3,071)
Deficit for the year	**(14,107)**	**(3,774)**
Capital and Non Operational Receipts	8,913	520
Deficit after Capital and Non Operational Receipts	**(5,194)**	**(3,254)**

* includes gains on investments applied to income

Income/Expenditure

Income from Academic Fees and Charges increased by 8.7% (2022: 0.8% decrease) on the prior year reflecting a rise in the number of unregulated fee-paying undergraduates and graduates. In addition Other Academic Income was partly increased by funding to support a Library Research project. Income from Accommodation, Catering and Conferences rose by 21.5% (£588k) on the prior year (2022: 57.5% decrease), as third party Catering and Conference activity started to return after the pandemic. Income from College Members increased as a result of inflationary price increases together with both greater student occupancy and activity. Endowment income fell slightly (3.4%); a key factor was the planned refurbishment of a key investment property which has caused a significant, but temporary, vacancy in our portfolio. Other income fell reflecting the withdrawal of the of the Government's Coronavirus Job Retention Scheme. Overall total College income after donations and endowments rose by £335k or 2.5% (2022: £1,210k; 10.8% increase).

The College's total expenditure rose by £811k or 5.5% (2022: £1,341k; 10.1% increase). However, if the effects of the release of USS provisions (£105k) are excluded, then there was an increase of £1,584k or 11.3% (2022: £677k; 5.0% increase). The most significant factors were the increases in staff costs, depreciation, and the direct costs of property management associated with the refurbishment of an investment property.

Total depreciation rose by £398k (2022: £59k). £332k of this increase arose from a one-off charge due to the part demolition of the Cosin Court car park. There was a further increase resulting from the additional capitalised expenditure discussed below.

Staff costs and pensions

Total staff costs (academic and non-academic) remain the most significant cost category for the College at £5.8m (2022: £6.0m). Staff costs excluding actuarial adjustments to the pension schemes under FRS102 increased by £595k or 11.1% (2022: £186k or 3.6%). This reflected the cost of living increases and awards for the year; the return of casual staff and recruitment to a modest number of unfilled posts to address the resumption of normal activity levels; the cost of sabbatical cover; the ongoing impact of auto-enrolment; the increase in national insurance contribution rates; and the College's continued commitment to paying its staff at least in line with the Real Living Wage.

The staff CCFPS pension scheme still remains significantly in deficit (under FRS102) in 2023, although the deficit decreased by £248k (2022: decreased by £3,212k). The changes in actuarial assumptions underlying the plan liabilities are the key driver of the decrease in the deficit; these changes were due to the discount rate and inflation rate assumptions applied to the scheme's liabilities. This scheme is closed to new entrants.

The College includes a share of the USS Scheme's current deficit. Under IFRS the College is obliged to account for it under money purchase scheme rules, although it is a multi-employer defined benefit scheme. The recent changes to the recovery plan following the latest revaluation has resulted in a £105k credit (2022: £677k debit) being recognised in Income and Expenditure statement; this largely relates to the recognition of future payments by the College that are expected under the recovery plan. Details of this scheme and the CCFPS scheme are included in notes 16 and 23.

Overall the pension scheme liabilities measured under FRS102 have decreased by 10.0% from £3.0m to £2.7m (2022: decreased by 45.4% from £5.5m to £3.0m).

Capital expenditure

The College continued work on the refurbishment of the Chapel which focussed on renovating the organ, and the stained glass. Other refurbishment works (£0.5m) were carried out on 39-40 Trumpington Street; this will upgrade and expand the existing student accommodation stock. The College created a new workshop for the Maintenance Department, which will capacity and efficiency of the Department. The College also began an initiative to reduce its carbon footprint and energy costs by installing a "smart" energy management platform to control individual radiator temperatures and energy usage across the College sites in a more accurate and granular way than has previously been possible.

The College takes very seriously its responsibility to maintain the College's operational buildings, most of which are listed and of historic importance, to ensure their compliance with new regulations, and to meet higher energy efficiency standards. The cost of doing this places a significant financial burden on the College.

The College continues to invest in its IT infrastructure and software; during the year the College continued the development of its new accommodation and conference database system. The new database will improve the College's ability to manage its room stock efficiently and improve the back-office processes associated with student billing and third party Conference activity. The College has also continued to improve its audio-visual services.

Endowment and investment performance

The College's survival in its present form is dependent on its endowment capital, which contributes over half its income and has additionally to absorb deficits and provide the funds for necessary building works. The College's investment objective, implemented under the supervision of its Estates & Investments Committee, is to manage its endowment to produce a steadily rising income stream whilst ensuring the long-term preservation of capital value in real terms.

The composition and performance of the College's endowment is summarised in the table below:

	2023	2022
	£'000	£'000
Property	175,095	187,344
Pooled property funds	3,763	4,852
Equities	69,579	56,144
Cash, loans and fixed interest securities	4,147	773
Cash in hand and at investment managers	904	12,884
Other Cash (owed by)/held for the Endowment	3,239	(1,038)
Other investments	46	65
Total Investments	**256,773**	**261,024**
Loans	(25,887)	(25,887)
Net Endowment Assets	**230,886**	**235,137**

Endowment return and investment income	**2023**	**2022**
	£'000	**£'000**
Income from:		
Land and buildings	4,808	5,173
Pooled property funds	218	200
Equities	1,623	2,004
Other interest receivable	491	13
Total income	**7,140**	**7,390**
Equities management costs	(94)	(190)
Direct costs of property management, agency fees and maintenance	(785)	(528)
Net income before financing costs	**6,261**	**6,672**
Interest and finance costs	(1,162)	(1,163)
Total net income after financing costs	**5,099**	**5,509**
Capital gains and receipts on investments (realised and unrealised)*	(3,699)	(2,754)
Total return for Net Endowment	**1,400**	**2,755**

*Includes a non operational receipt of £8.9m (2022:Nil)

The College has adopted a total return accounting for its marketable equity and securities portfolio to provide a smooth and stable stream of income. This also has a better fit with the College's strategic approach to its marketable equity and securities portfolio by allowing the College more flexibility to invest in line with its Environmental, Social and Governance (ESG) policy.

This year has seen a rebalancing of the portfolio as a result of certain sales of land interests and the re-investment of existing cash balances into equities. There was a small fall in underlying property values reflecting market sentiment.

Last year the College reviewed its fund managers and took the decision to move its funds from Credit Suisse to a platform operated by AJ Bell. This process was completed in 2022-23. This has reduced the costs of managing the equity investments. The direct costs of property management increased because the refurbishment of an investment property and the resulting temporary vacancy has resulted in temporarily increased business rate liabilities.

Reserves

Peterhouse's unrestricted funds at the year-end amounted to £326.5m (2022: £331.8m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. The Governing Body believes that reserves on this scale are necessary for the College to meet its charitable objectives and to provide the underlying stability for the institution to operate in perpetuity. The Governing Body is mindful to maintain an equitable balance between the interests of current members of the College and future generations.

Risk Management

The Governing Body has the overall responsibility for identifying and managing the major risks facing the College. Discussion of risks are a routine part of the work of the Governing Body and the associated College Committees. A formal high-level risk register is maintained by the Finance Committee and reviewed on an annual basis by the Governing Body. In addition to this, other College Committees review and discuss individual risks which fall within their respective terms of reference on a more frequent basis. College Committees also develop and update College policies to manage and mitigate risks as and when appropriate. Responsibility for the implementation of College policies is delegated to the relevant College Officers and members of staff.

Fundraising

The existence and success of Peterhouse is a reflection of the outstanding generosity over time of Petreans and other benefactors. The College's development campaign continued to make a valuable contribution over the year, with donations and legacies of £0.8m (2022: £1.0m). Of this, £19k was raised for permanent endowments (2022: £8k). The combined net costs of fundraising and member relations was £344k (2022: £313k).

The College is registered with the Fundraising Regulator and adheres to its Code of Practice. The College does not use external professional fundraisers and carries out fundraising activities through its Development Office, in collaboration with Cambridge University Development and Alumni Relations Office as appropriate. In addition to seeking financial and other support for the College, the Development Office is also responsible for alumni relations. Fundraising techniques used include face-to-face meetings, the promotion of legacy giving, annual telephone campaigns and occasional mass mailings to members of the College's community. The College takes very seriously its responsibility to ensure that its assets and resources are used only for the purposes for which they were given. The College does not engage in intrusive or unreasonably persistent methods of fundraising and training is given to all individuals who undertake fundraising activities to ensure that they know how to handle an obviously vulnerable person. There have been no formal complaints made about fundraising (prior year none).

Principal risks and uncertainties

Peterhouse faces a range of risks in meeting its charitable purposes which include financial, operational and reputational risks. These include its long-term ability to attract the best staff and students, to maintain and develop its research and educational offering, and to conserve, refresh, and renew its physical facilities. In addition, the College faces reputational risks in a world where modern communication methods have resulted in higher levels of transparency and scrutiny in wide range of areas.

The College has recently invested in a range of measures to improve further the pastoral support it offers its students. It seeks to foster a supportive and collegiate culture amongst Fellows, students and staff. The College also seeks opportunities to contribute positively to the communities in which it operates and takes seriously its responsibilities as a landowner.

While Peterhouse is fortunate in being a relatively well-endowed College, it continues to face financial challenges many of which are common to the University and other Cambridge colleges.

The recent pandemic, the Ukraine war and subsequent inflationary energy shock has made the political, economic and educational landscape increasingly uncertain. Operating costs in the meantime have been subject to ongoing inflationary pressures. In addition, the two defined benefit pension schemes which the College is part of have had significant funding deficits in recent years due to adverse movements in the financial markets. However the USS has recently moved into a surplus position which should, over time, ease some of these pressures.

Peterhouse seeks to respond to these financial challenges by focussing on efficient financial management of its operational activities, and the prudent stewardship of its endowment assets for the long term. However, if it is to develop further the activities that are critical to its mission such as research studentships, and to continue to progress its capital expenditure plans across its substantial operational estate, the College will need to raise additional funds over the coming years.

Plans for the future

The College aims to pursue and develop its existing strategy, with a particular focus over the next few years on:

- The challenges and consequences posed by the current economic turbulence;
- The further development of staffing and pastoral care to promote and support student well-being;
- Continued support of its Research Fellowship and Research Studentship scheme to offer financial support for the most talented early-career academics and graduate students;
- Increasing the College's Admissions and Outreach initiatives to attract outstanding applicants for undergraduate and graduate courses from a diverse range of educational, social and cultural backgrounds.

PETERHOUSE
CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 30 JUNE 2023

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

2. The College is a registered charity (registered number No. 1137457) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

3. The Trustees are Governing Body which is advised in carrying out its duties by a number of Committees.

   a. Governance Committee
   b. Remuneration Committee
   c. Finance Committee
   d. Estates and Investments Committee
   e. Development Committee
   f. Education Committee
   g. Admissions Committee
   h. Examination Failures Committee
   i. Grants Committee
   j. Honorary & Visiting Fellowships Committee
   k. Research Studentships Committee
   l. Research Fellowships Committee
   m. Travel Grants Committee
   n. Charitable Applications Committee
   o. Co-Ordinating Committee
   p. Peterhouse Boat Club Fund Management Committee
   q. Staff Committee
   r. Food and Wine Committee
   s. Buildings, Fabric and Gardens Committee
   t. IT Committee

4. The principal administrative Officers of the College are the Master, the Senior Bursar, and the Senior Tutor.

5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal system of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Finance Committee includes: the Chairman (a Fellow of the College), Senior Tutor, Senior Bursar and several other Fellows of the College.

6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are routinely made at all College committee meetings.

7. The College's Trustees (Members of the Governing Body) during the year ended 30 June 2023 are set out on page 2.

8. The Trustees are the Governing Body which is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.

9. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

10. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2023 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes and procedures have been established:

a. The Governing Body meets regularly (typically 13 times) throughout the year to consider the plans and strategic direction of the College; it also reviews and approves the annual financial results and budget for the year ahead.
b. The Governing Body receives interim reports from the Finance Committee which reviews key financial information and statistics on an ongoing basis, including quarterly progress against budget.
c. A Committee Structure has been put in place to review key areas of College activity.
d. Appropriate levels of segregation of duties have been established together with authority limits. These are reviewed periodically.
e. Two Fellows (not already on the Finance Committee) review and audit the College accounts in detail, and provide an independent report on their findings to the Governing Body.
f. A Project Accountant has been employed to review and improve the internal systems and controls.
g. The Finance Committee regularly reviews the College's five-year financial forecast to assist with medium-term financial planning.

11. A Fellow on the Governing Body has been designated SIRO (Senior Information Risk Officer) and is responsible for reporting to Governing Body on data protection and information risk issues.

12. The Governing Body's review of the effectiveness of the system of internal control is informed by the work of various Committees, the Senior Bursar, and other College Officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

PETERHOUSE
RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2023

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

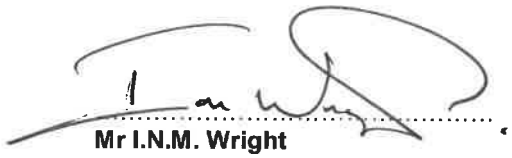
The Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the Governing Body of the Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge



Professor M.A. Parker
Master



Mr I.N.M. Wright
Senior Bursar

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE *FOR THE YEAR ENDED 30 JUNE 2023*

Opinion

We have audited the financial statements of Peterhouse College (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 group's and College's affairs as at 30 June 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly 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.

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 and College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 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 other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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. 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 themselves. 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

Matters on which we are required to report by exception

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:

- the information given in the financial statements is inconsistent in any material respect with the report of the Governing Body; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, 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.

Auditor's responsibilities for the audit of the financial statements

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

Our 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:

We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.

- We reviewed minutes of Finance, College Council and Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.

- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organization.

- We reviewed the risk management processes and procedures in place including reporting of risk management to the College Council.

- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Governing Body, in accordance with College's statutes, the Statutes of the University of Cambridge and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College 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 Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP
Chartered Accountants and Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 27 November 2023

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Principal Accounting Policies

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 5.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 10. Intra-group balances are eliminated on consolidation.

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. The costs of any fees waived or written off by the College are included as expenditure.

Grant income
Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated 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 Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

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 Consolidated 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.

Statement of Principal Accounting Policies (continued)

Recognition of income (continued)

Donations and endowments (continued)

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 Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

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 operates a total return policy with regard to its quoted securities and pooled property funds. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the market value of the quoted securities and pooled property funds. The actual rate of spending for 2023 when measured against a three year trailing average value was 3.25%.

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

Foreign currency translation

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.

Fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets, including the majority of our operational buildings, that had been revalued to fair value on or prior to 1 August 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. These assets had useful economic lives ranging between 5 to 150 years and are depreciated on a straight line basis.

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

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.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Additions to Freehold Buildings, in the form of capitalised refurbishment works or new buildings, are depreciated on a straight line basis over their expected useful lives of 50 years.

Buildings 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.

Statement of Principal Accounting Policies (continued)

Fixed assets (continued)
The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £3,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10.0% per annum
Computer equipment	25.0% per annum
Motor vehicles	20.0% per annum

Leased assets
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.

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 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and also the volume of items and valuation issues mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 August 2014 and valued at over £10k are capitalised and recognised in the Balance Sheet at the cost or, where the assets are donated, at valuation on receipt of these assets where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Expenditure which is required to preserve or prevent further deterioration of individual items within the heritage assets is recognised in the Income and Expenditure Account when it is incurred. The Colleges' management policy in respect of its heritage asset is summarised in note 8.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

For the purposes of the group accounts disposals of all interests in land (not used for operational educational purposes) within the group are disclosed separately. In addition, all Interests in land (not used for operational purposes) will be consolidated as investments. Land used for operational purposes will continue to be recognised in fixed assets.

Stocks

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

Debtors

Short term debtors are measured at transaction price, less impairment.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Statement of Principal Accounting Policies (continued)

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.

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.

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.

Statement of Principal Accounting Policies (continued)

Financial Liabilities (continued)

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.

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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Taxation

The College is a registered charity (number 1137457). It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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

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 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.

Statement of Principal Accounting Policies (continued)

Pension costs

Universities Superannuation Scheme (USS)

The College participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the scheme provided by USS 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 financial statements.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Other pension schemes

The College also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the College. The annual contributions payable are charged to the Income and Expenditure Account.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In order to calculate the discounted pension liability, the College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension costs (continued)

Critical accounting estimates and areas of judgement (continued)

The present value of the USS and CCFPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2020 has been used by the actuary in valuing the pensions liability at 30 June 2023. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

Legacy accounting

For legacies, entitlement is taken as the earlier of the date of which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

PETERHOUSE

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Unrestricted	Restricted	Restricted Permanent Endowment	2023 Total	Unrestricted	Restricted	Restricted Permanent Endowment	2022 Total
Income		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Academic fees and charges	1	2,471	98	-	2,569	2,360	3	-	2,363
Accommodation, catering and conferences	2	3,317	-	-	3,317	2,729	-	-	2,729
Investment income	3	6,705	22	413	7,140	6,877	19	494	7,390
Endowment return transferred	3	-	572	(572)	-	-	559	(559)	-
Other income	4	111	-	-	111	178	-	-	178
Total income before donations and endowments		**12,604**	**692**	**(159)**	**13,137**	**12,144**	**581**	**(65)**	**12,660**
Donations		160	636	-	796	210	739	-	949
New endowments		-	-	19	19	-	-	8	8
Total income		**12,764**	**1,328**	**(140)**	**13,952**	**12,354**	**1,320**	**(57)**	**13,617**
Expenditure									
Education	5	5,604	980	-	6,584	5,523	1,093	-	6,616
Accommodation, catering and conferences	6	5,962	78	-	6,040	5,267	83	-	5,350
Other expenditure		2,601	1	21	2,623	2,424	2	43	2,469
Contribution under Statute G, II		201	-	-	201	202	-	-	202
Total expenditure	7	**14,368**	**1,059**	**21**	**15,448**	**13,416**	**1,178**	**43**	**14,637**
(Deficit)/Surplus before other gains and losses		**(1,604)**	**269**	**(161)**	**(1,496)**	**(1,062)**	**142**	**(100)**	**(1,020)**
Gains on investments applied to income	10	542	8	159	709	249	3	65	317
(Deficit)/Surplus before other gains and losses applied to income		**(1,062)**	**277**	**(2)**	**(787)**	**(813)**	**145**	**(35)**	**(703)**
Gain/(loss) on investments	10	(13,452)	7	125	(13,320)	(397)	(100)	(2,574)	(3,071)
Surplus/(deficit)/for the year		**(14,514)**	**284**	**123**	**(14,107)**	**(1,210)**	**45**	**(2,609)**	**(3,774)**
Other comprehensive income									
Miscellaneous capital and non-operational receipts		8,913	-	-	8,913	521	-	-	521
Actuarial loss in respect of pension schemes	16	213	-	-	213	3,309	-	-	3,309
Total comprehensive income for the year		**(5,388)**	**284**	**123**	**(4,981)**	**2,620**	**45**	**(2,609)**	**56**

The notes on pages 29 to 47 form part of these accounts.

PETERHOUSE

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2023

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2021	**329,250**	**6,830**	**19,157**	**355,237**
Surplus from income and expenditure statement	(1,210)	45	(2,609)	(3,774)
Other comprehensive income	3,830	-	-	3,830
Balance at 30 June 2022	**331,870**	**6,875**	**16,548**	**355,293**

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2022	**331,870**	**6,875**	**16,548**	**355,293**
Surplus from income and expenditure statement	(14,514)	284	123	(14,107)
Other comprehensive income	9,126	-	-	9,126
Balance at 30 June 2023	**326,482**	**7,159**	**16,671**	**350,312**

The notes on pages 29 to 47 form part of these accounts.

PETERHOUSE

CONSOLIDATED AND COLLEGE BALANCE SHEET

AS AT 30 JUNE 2023

	Note	2023 Consolidated £'000	2023 College £'000	2022 Consolidated £'000	2022 College £'000
Non-current Assets					
Fixed assets	9	120,021	120,021	119,829	119,829
Investments	10	253,534	253,113	262,062	261,620
		373,555	**373,134**	**381,891**	**381,449**
Current assets					
Stocks	11	454	454	421	421
Trade and other receivables	12	2,834	3,284	2,634	2,742
Cash and cash equivalents	13	7,264	4,925	2,024	1,831
		10,552	**8,663**	**5,079**	**4,994**
Creditors: amounts falling due within one year	14	(5,253)	(3,414)	(2,828)	(2,788)
Net current assets		**5,299**	**5, 249**	**2,251**	**2,206**
Total Assets less current liabilities		**378,854**	**378,383**	**384,142**	**383,655**
Creditors: amounts falling due after more than one year	15	(25,887)	(25,887)	(25,887)	(25,887)
Provisions					
Pension provisions	16	(2,655)	(2,655)	(2,962)	(2,962)
Total net assets		**350,312**	**349,841**	**355,293**	**354,806**
Restricted reserves					
Income and expenditure reserve – endowment reserve	17	16,671	16,671	16,548	16,548
Income and expenditure reserve – restricted reserve	18	7,159	7,159	6,875	6,875
Total Restricted reserves		**23,830**	**23,830**	**23,423**	**23,423**
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		326,482	326,011	331,870	331383
Total Reserves		**350,312**	**349,841**	**355,293**	**354,806**

The accompanying notes on pages 29 to 47 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 20 November 2023 and signed on their behalf by:

M.A. Parker

Professor M.A. Parker

Master

Mr I.N.M. Wright

Senior Bursar

PETERHOUSE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £'000	2022 £'000
Net cash outflow from operating activities	19	(1,960)	(4,329)
Cash flows from investing activities	20	(3,643)	18,574
Cash flows from financing activities	21	(1,162)	(1,163)
Increase in cash and cash equivalents in the year		**(6,765)**	**13,082**
Cash and cash equivalents at beginning of the year		14,871	1,789
Cash and cash equivalents at end of the year	**22**	**8,106**	**14,871**

The notes on pages 29 to 46 form part of these accounts.

1. Academic fees and charges

	2023 £'000	2022 £'000
College Fees		
Fee income received at the Regulated Undergraduate rate	973	1,023
Fee income received at the Unregulated Undergraduate rate	714	571
Fee income received at the Graduate rate	589	554
Other income	293	215
	2,569	2,363

2. Income from accommodation, catering and conferences

		2023 £'000	2022 £'000
Accommodation	College members	2,303	2,202
	Conferences	306	38
Catering	College Members	385	360
	Conferences	323	129
Total		3,317	2,729

3. Total return and investment income

3a. Analysis

	2023 £'000	2022 £'000
Income from:		
Land and buildings	4,808	5,173
Quoted Pooled Property Funds	218	200
Quoted securities	1,623	2,004
Other interest receivable	491	13
Total	7,140	7,390
Total endowment return applied to income	**572**	**559**
Land and buildings	4,808	5,173
Quoted Pooled Property Funds	192	182
Quoted securities	1,236	1,528
Other interest receivable	491	13
Less excess of total return over income received	(159)	(65)
Total	7,140	7,390

3b. Summary of total return

	2023 £'000	2022 £'000
Income from:		
Quoted Pooled Property Funds	26	18
Quoted Securities	387	476
	413	494
Gains/(losses) on investment assets:		
Quoted Securities and Pooled Property Funds	284	(2,509)
Investment management costs	(21)	(43)
Total return for year	676	(2,058)
Total return transferred to income and expenditure reserve (see note 17)	(572)	(559)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 17)	104	(2,617)

3.c Investment management costs

	2023 £'000	2022 £'000
Land and buildings	131	171
Quoted securities – equities	94	190
Total	225	361

4. Other Income

	2023 £'000	2022 £'000
Income from Coronavirus Job Retention Scheme	-	40
Other income	111	138
Total	111	178

5. Education expenditure

	2023 £'000	2022 £'000
Teaching	2,082	2,116
Tutorial	888	962
Admissions	631	608
Research	1,182	1,083
Scholarships and awards	935	1,043
Other educational facilities	866	804
Total	6,584	6,616

6. Accommodation, catering and conferences expenditure

		2023 £'000	2022 £'000
Accommodation	College members	3,650	3,282
	Conferences (including meeting rooms)	281	61
Catering	College Members and staff	1,797	1,885
	Conferences	312	122
Total		6,040	5,350

7a. Analysis of 2022/2023 expenditure by activity

	Staff costs (Note 7) £'000	Other Operating Expenses £'000	Depreciation £'000	2023 Total £'000
Education	3,000	2,816	768	6,584
Accommodation, catering and conferences	2,560	1,516	1,964	6,040
Other	289	2,535	-	2,824
Total	5,849	6,867	2,732	15,448

7b. Analysis of 2021/2022 expenditure by activity

	Staff costs (Note 7) £'000	Other Operating Expenses £'000	Depreciation £'000	2022 Total £'000
Education	3,284	2,670	662	6,616
Accommodation, catering and conferences	2,416	1,262	1,672	5,350
Other	327	2,344	-	2,671
Total	6,027	6,276	2,334	14,637

Other expenditure includes fundraising costs of £139k (2022: £180k). This expenditure does not include the costs of alumni relations.

7c. Auditors remuneration

Other operating expenses include:	2023 £'000	2022 £'000
Audit fees payable to the College's external auditors	25	22

8. Staff and external teaching costs

	College Fellows 2023 £'000	Academic 2023 £'000	Non Academic 2023 £'000	Total 2023 £'000
Staff and external teaching costs:				
Emoluments	1,329	-	3,343	4,672
External teaching costs	-	224	-	224
Social Security costs	141	-	308	449
Other pension costs	148	-	356	504
Total	1,618	224	4,007	5,849

College Fellows include Academic Emoluments (£1,066k), Social Security costs (£108k), Other pension costs (£115k).

	College Fellows 2022 £'000	Academic 2022 £'000	Non Academic 2022 £'000	Total 2022 £'000
Staff and external teaching costs:				
Emoluments	1,211	-	2,877	4,088
External teaching costs	-	193	-	193
Social Security costs	127	-	262	389
Other pension costs	902	-	455	1,357
Total	2,240	193	3,594	6,027

College Fellows include Academic Emoluments (£948k), Social Security costs (£94k), Other pension costs (£701k).

Average number of staff:	2023	2022
Academic (Full-time)	19	19
Academic (Part-time)	65	61
Non-academic (Full-time)	71	66
Non-academic (Part-time)	50	42
Total	205	188

The Governing Body comprised 36 Fellows, of which 33 are stipendiary.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. During the year there were 3 (2022: 3) members of the key management team and total remuneration (including pensions and national insurance contributions) and other benefits were £384,000 (2022: £360,000).

8. Staff costs (continued)

Trustees Remuneration

No Trustee is remunerated for being a Trustee.

Trustees are required to make disclosure of potential conflicts of interest at all College Committee meetings. A register of interests for all Trustees is maintained by the College.

The Trustees are remunerated for specific College offices which have associated duties of Teaching, Tutorial, Research, and Administration. The Trustees remuneration is overseen by the Remuneration Committee. This Committee consists of three independent members.

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

From	To	2023 Number	2022 Number
£1	£10,000	10	13
£10,001	£20,000	9	8
£20,001	£30,000	3	4
£30,001	£40,000	4	2
£40,001	£50,000	-	-
£50,001	£60,000	1	1
£60,001	£70,000	1	1
£70,001	£80,000	1	1
£80,001	£90,000	1	3
£90,001	£100,000	3	1
	Total	**33**	**34**

The total Trustee salaries were £984,000 for the year (2022: £901,000). No individual Trustee's salary exceeded £100,000 during the year.

The Trustees were also paid other taxable benefits (including employer contributions to pensions) which totalled £226,000 (2022: £206,000).

The Trustees also received grants from the College towards their research totalling £38,000 (2022: £29,000).

Travel and other business expenses reimbursed by Trustees in their capacity as officers of the College totalled £12,000 (2022: £8,000).

The Trustees are entitled to a daily meal at College expense.

No trustees had loans with the College at the year end.

9. Fixed assets

Group	Land and buildings £'000	Equipment £'000	2023 Total £'000	2022 Total £'000
Cost/valuation				
At beginning of year	133,581	3,144	136,725	133,568
Additions	2,753	171	2,924	3,157
At end of year	136,334	3,315	139,649	136,725
Accumulated depreciation				
At beginning of year	15,550	1,346	16,896	14,562
Charge for the year	2,532	200	2,732	2,334
At end of year	18,082	1,546	19,628	16,896
Net book value				
At 30 June 2023	118,252	1,769	120,021	119,829
At 1 July 2022	118,031	1,798	119,829	119,006

College	Land and buildings £'000	Equipment £'000	2023 Total £'000	2022 Total £'000
Cost/valuation				
At beginning of year	133,581	3,144	136,725	133,568
Additions	2,753	171	2,924	3,157
At end of year	136,334	3,315	139,649	136,725
Accumulated depreciation				
At beginning of year	15,550	1,346	16,896	14,562
Charge for the year	2,532	200	2,732	2,334
At end of year	18,082	1,546	19,628	16,896
Net book value				
At 30 June 2023	118,252	1,769	120,021	119,829
At 1 July 2022	118,031	1,798	119,829	119,006

The insured value of freehold land and buildings as at 30 June 2023 was £159m (2022: £144m).

The College has not made any heritage asset acquisitions since 1 August 2014 and, therefore, have not included any heritage assets in the Balance Sheet. Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

10. Investments

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
At beginning of year	**262,062**	**261,620**	**266,795**	**266,383**
Additions	45,027	45,027	16,725	16,725
Disposals	(28,255)	(28,255)	(30,545)	(30,545)
Gain/(loss)	(13,320)	(13,299)	(2,754)	(2,784)
Decrease in cash balances held at fund managers	(11,980)	(11,980)	11,841	11,841
At end of year	**253,534**	**253,113**	**262,062**	**261,620**

Represented by:	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Property	175,095	174,260	187,344	186,507
Pooled Property Funds	3,763	3,763	4,852	4,852
Quoted securities – securities	69,579	69,579	56,144	56,144
Loans and fixed interest securities	4,147	4,147	773	773
Investment in subsidiary undertakings	-	460	-	460
Cash in hand and at investment mangers	904	904	12,884	12,884
Other investments	46	-	65	-
	253,534	**253,113**	**262,062**	**261,620**

Investment assets and endowment assets are managed as a single pool and are both included within the note above.

The investment in subsidiaries represents 100% of the issued share capital of Peterhouse Enterprises Limited ("PEL"), and Peterhouse Conference and Events Limited ("PCEL"). All companies are registered in the United Kingdom.

PEL develops property and holds property for rental. Any taxable revenue surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2023 the company had share capital and reserves totalling £475,128 (2022: £459,252) and the profit after tax (but before deed of covenant) for the year then ended was £8,911,471 (2022: £-15,876).

PCEL runs conference and events facilities. Any taxable surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2023 the company had share capital and reserves totalling £1 (2022: £1) and the profit after tax (but before deed of covenant) for the year then ended was £44,177 (2022: £9,141).

The Group has an investment through Manor Farm Stretham LLP in a residential housing development in Cambridgeshire. PEL holds an investment at cost of £46k (2022: £65k) in the LLP. Manor Farm Stretham LLP had borrowed on commercial terms £4,147k at 30 June 2023 (2022: £773k) from the College.

The Group has an investment in a property called Fornham Business Court and this is partially funded by a loan from a third party (see note 15: Other loans).

11. Stocks and work in progress

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Other stocks	454	454	421	421

12. Trade and other receivables

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Members of the College	107	107	52	52
Amount due from subsidiary undertakings	-	494		360
Other receivables	1,143	1,109	1,258	1,020
Prepayments and accrued income	1,584	1,574	1,324	1,310
Total	2,834	3,284	2,634	2,742

13. Cash and cash equivalents

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank deposits	7,015	4,689	1,489	1,309
Current accounts	249	236	535	522
Total	7,264	4,925	2,024	1,831

14. Creditors: amounts falling due within one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank overdraft	62	62	37	37
Members of the College	194	194	232	232
University fees	321	321	37	37
Contribution to Colleges Fund	201	201	202	202
Other Creditors (e.g. VAT)	3,825	1,998	1,497	1,476
Accruals and deferred income	650	638	823	804
Total	5,253	3,414	2,828	2,788

15. Creditors: amounts falling due after more than one year

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank loans	24,000	24,000	24,000	24,000
Other loans	1,887	1,887	1,887	1,887
	25,887	25,887	25,887	25,887

Included within creditors due in more than one year are the following loans and facilities:

£8 million due for repayment by 27/02/2031. The loan bears fixed interest rates of 4.345% on £1 million, 4.415% on £2 million and 4.575% on £5 million.

£16 million due for repayment by 12/11/2057. The loan bears fixed interest rates of 4.970% on £8 million and 5.005% on £8 million.

16. Pension Provisions

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Balance at beginning of year	**2,962**	**2,962**	**5,497**	**5,497**
Movement in year:				
Current service cost including life assurance	365	365	1,228	1,228
Contributions	(573)	(573)	(552)	(552)
Other finance cost	114	114	99	99
Actuarial gain recognised in Statement of Comprehensive Income and Expenditure	(213)	(213)	(3,310)	(3,310)
Balance at end of year	**2,655**	**2,655**	**2,962**	**2,962**

Split as follows:

CCFPS
Pension Provisions

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Balance at beginning of year	**1,762**	**1,762**	**4,974**	**4,974**
Movement in year:				
Current service cost including life assurance	176	176	295	295
Contributions	(279)	(279)	(287)	(287)
Other finance cost	68	68	90	90
Actuarial gain recognised in Statement of Comprehensive Income and Expenditure	(213)	(213)	(3,310)	(3,310)
Balance at end of year	**1,514**	**1,514**	**1,762**	**1,762**

16. Pension Provisions (continued)

USS
Pension Provisions

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Balance at beginning of year	**1,200**	**1,200**	**523**	**523**
Movement in year:				
Current service cost including life assurance	189	189	933	933
Contributions	(294)	(294)	(265)	(265)
Other finance cost	46	46	9	9
Balance at end of year	**1,141**	**1,141**	**1,200**	**1,200**

17. Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent Endowments 2023 Base Value £'000	Restricted Permanent Endowments 2023 Unapplied return £'000	Restricted Permanent Endowments 2023 Total £'000	Restricted Permanent Endowments 2022 Total £'000
Group and College				
Balance at beginning of year	**16,247**	**301**	**16,548**	**19,157**
Increase/(decrease) in market value of investments	-	284	284	(2,509)
Investment Income	-	413	413	494
Management charges	-	(21)	(21)	(43)
Endowment return transferred to other unspent restricted income	-	(572)	(572)	(559)
New donations and endowments	19	-	19	8
Movement in Year	**19**	**104**	**123**	**(2,609)**
Balance at end of the year	**16,266**	**405**	**16,671**	**16,548**

17. Endowment funds (continued)

	Restricted Permanent Endowments 2023 Base Value £'000	Restricted Permanent Endowments 2023 Unapplied return £'000	Restricted Permanent Endowments 2023 Total £'000	Restricted Permanent Endowments 2022 Total £'000
Analysis by type of purpose:				
Research, studentship, scholarship funds	12,946	323	13,269	13,189
Student hardship	2,331	57	2,388	2,362
Prizes	431	11	442	429
Travel grants	333	9	342	340
Library fund	70	1	71	71
Garden fund	140	4	144	142
Kelvin fund	15	-	15	15
	16,266	**405**	**16,671**	**16,548**
Analysis by asset:				
Investments	**16,266**	**405**	**16,671**	**16,548**

18. Restricted Reserves

Reserves with restrictions for the current year are as follows (full comparatives follow on the next page):

Group and College

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2023 Total £'000	2022 Total £'000
Balance at beginning of year	**391**	**6,484**	**6,875**	**6,830**
Application of total return on Endowment return transferred	572	-	572	559
Transfer of Income	(552)	552	-	-
Increase/(decrease) in market value of investments	-	15	15	(97)
Investment income	-	22	22	19
Management charges	-	(1)	(1)	(2)
New grants and other income	-	98	98	3
New donations	-	636	636	739
Expenditure	-	(1,058)	(1,058)	(1,176)
Movement in the year	**20**	**264**	**284**	**87**
Balance at end of year	**411**	**6,748**	**7,159**	**6,875**

18. Restricted Reserves (continued)

Analysis of other restricted funds/ donations by type of purpose:

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2023 Total £'000	2022 Total £'000
Music	-	66	66	77
Works of art	-	8	8	7
Research, studentship, scholarship funds	198	929	1,127	967
Student hardship	166	356	522	506
Boat club fund	-	467	467	423
Cricket club	-	3	3	3
Prizes	35	16	51	44
Perne library	-	18	18	17
Travel grants	2	40	42	39
Library fund	4	30	34	14
Garden Fund	5	-	5	-
Chapel	-	1,176	1,176	1,110
Lectures	-	49	49	47
Kelvin Fund	1	-	1	1
Buildings fund	-	3,590	3,620	3,620
	411	**6,748**	**7,159**	**6,875**

19. Reconciliation of consolidated surplus for the year to net cash outflow from operating activities

	2023 £'000	2022 £'000
Deficit for the year	(14,107)	(3,774)
Adjustment for non-cash items:		
Depreciation	2,732	2,334
Loss on endowments and investments	13,313	2,754
Decrease/(increase) in stock	(33)	18
Increase in trade and other receivables	(200)	(50)
(Decrease)/increase in creditors	2,400	(158)
Pension costs less contributions payable	(94)	774
Adjustment for investing or financing activities:		
Investment Income	(7,140)	(7,390)
Loan interest payable	1,162	1,163
Net cash outflow from operating activities	(1,960)	**(4,329)**

20. Cash flows from investing activities

	2023 £'000	2022 £'000
Non-current investment disposal and capital receipts	37,168	31,066
Investment income	7,140	7,390
Endowment funds invested	(45,027)	(16,725)
Payments to acquire tangible fixed assets	(2,924)	(3,157)
Total cash flows from investing activities	**(3,643)**	**18,574**

21. Cash flows from financing activities

	2023 £'000	2022 £'000
Interest paid	**(1,162)**	(1,163)
Net cash outflow from financing activities	(1,162)	(1,163)

22. Analysis of cash and cash equivalents

	At beginning of year £'000	Cash flows £'000	At end of year £'000
Bank overdraft	(37)	(25)	(62)
Cash at bank and in hand	2,024	5,240	7,264
Cash at investment managers	12,884	(11,980)	904
Net Funds	**14,871**	**(6,765)**	**8,106**

23. Pension Schemes

Universities Superannuation Scheme (USS)

The total cost charged to the profit and loss account is £189k (prior year: £933k).

Deficit recovery contributions due within one year for the institution are £91k (prior year: £81k).

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%.

23. Pension Schemes (continued)

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).

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 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2023	**2022**
Discount rate	5.20%	3.80%
Pensionable salary growth	3.30%	3.25%

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College operates a defined benefits 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.

23. Pension Schemes (continued)

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

	30 June 2023 % p.a.	30 June 2022 % p.a.
Discount rate	5.20	3.80
Increase in salaries	3.30	3.25
Retail Prices Index (RPI) assumption	3.40*	3.45*
Consumer Prices Index (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% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements(2022: S3PA on a year of birth usage with CMI_2021 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 21.9 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:

	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 these calculations.

The amounts recognised in the Balance Sheet as at 30 June 2023 (with comparative figures as at 30 June 2022) are as follows:

	30 June 2023 £'000	30 June 2022 £'000
Present value of plan liabilities	(11,295)	(13,164)
Market Value of plan assets	9,781	11,402
Net defined benefit liability	**(1,514)**	**(1,762)**

The amounts to be recognised in Income and Expenditure for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	30 June 2023 £'000	30 June 2022 £'000
Current service cost	156	275
Administrative expenses	20	20
Interest on net defined benefit liability	68	90
Total	**244**	**385**

23. Pension Schemes (continued)

Changes in the present value of the plan liabilities for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	30 June 2023 £'000	30 June 2022 £'000
Present value of plan liabilities at beginning of period	13,164	17,950
Current service cost (including Employee contributions)	205	327
Benefits paid	(428)	(29)
Interest on plan liabilities	496	326
Actuarial (gain)/loss	(2,142)	(5,409)
Present value of plan liabilities at end of period	**11,295**	**13,165**

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:

	30 June 2023 £'000	30 June 2022 £'000
Market value of plan assets at beginning of period	11,403	12,977
Contributions paid by the College	279	287
Employee contributions	49	52
Benefits paid	(428)	(29)
Administrative expenses paid	(29)	(27)
Interest on plan assets	428	236
Return on assets, less interest included in Profit & Loss	(1,920)	(2,093)
Market value of plan assets at end of period	9,782	11,403
Actual return on plan assets	(1,492)	(1,857)

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 ending 30 June 2022) are as follows:

	2023	2022
Equities	49%	52%
Bonds and cash	38%	34%
Property	13%	14%

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

Analysis of the re-measurement 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:

	2023 £'000	2022 £'000
Return on assets, less interest included in Income and Expenditure	(1,920)	(2,093)
Expected less actual plan expenses	(9)	(7)
Experience gains and losses arising on plan liabilities	(911)	(184)
Changes in assumptions underlying the present value of plan liabilities	3,053	5,594
Re-measurement of net defined benefit liability recognised in OCI	213	3,310

23. Pension Schemes (continued)

Movement in surplus/ (deficit) during the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

	2023 £'000	2022 £'000
Surplus deficit in Scheme at beginning of the year	(1,762)	(4,974)
Recognised in Profit and Loss	(244)	(385)
Contributions paid by the College	279	287
Actuarial gain recognised in OCI	213	3,310
Surplus deficit in plan at the end of the year	**(1,514)**	**(1,762)**

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 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 were incorporated into the plan's latest Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £91,513 per annum payable for the period from 1 July 2021to 31 March 2030.

These payments are subject to review following the funding valuation as at 31 March 2023.

Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £139k (2022: £129k).

The total pension cost for the College for the year to 30 June 2023 shown in note 8 was as follows:

	2023 £'000	2022 £'000
USS: Charged to Income and Expenditure Account	189	933
CCFPS: Charged to Income and Expenditure Account	176	295
CCGPS: Defined Contribution Scheme Employer contributions	139	129
	504	1,357

24. Capital Commitments

	2023 £'000	2022 £'000
Capital commitment at 30 June 2023 are as follows:		
Authorised and contracted	265	7,301

25. Operating Leases

Operating Leases - Lessor

At 30 June 2023 the College had granted non-cancellable operating leases in respect of its freehold investment properties as follows:

	2023 £'000	2022 £'000
Receivable within one year	3,791	3,714
Receivable between two and five years	10,581	9,948
Receivable in over five years	154,758	154,119
	169,130	167,781

Operating Leases – Lessee

At 30 June 2023 the College had annual commitments under non-cancellable vehicle operating leases as follows:

	2023 £'000	2022 £'000
Payable within one year	10	-
Payable between two and five years	22	-
	32	-

26. Consolidated reconciliation and analysis of net debt

	At 1 July 2022 £'000	Cash Flows £'000	At 30 June 2023 £'000
Cash at Investment Managers	12,884	(11,980)	904
Cash at bank and in hand	2,024	5,240	7,264
Borrowings-			
Amounts falling due within one year:			
Bank overdraft	(37)	(25)	(62)
Borrowings-			
Amounts falling due after more than one year:			
Unsecured bank loans	(24,000)	-	(24,000)
Unsecured other loans	(1,887)	-	(1,887)
Net total debt	**(11,016)**	**(6,765)**	**(17,781)**

27. Related Party Transactions

No disclosure of transactions with Peterhouse Enterprises Limited or Peterhouse Conference and Events Limited has been made as those financial statements at 30 June 2023 have been consolidated within these accounts. Any payments from the College to Trustees appear in note 8 within Trustees Remuneration.

Due to the nature of the College's operations and the composition of its Governing Body, it is inevitable that the College will enter into transactions in the normal course of business with the University of Cambridge, Colleges, Research Councils, other grant-awarding bodies, and other private and public sector organisations in which members of the Governing Body may have an interest. All transactions involving organisations in which members of Governing Body may have such an interest are conducted in accordance with the College's financial regulations and usual procurement procedures, and where material are separately disclosed below.

There are 31 Colleges, each of which is an independent corporation with its own property and income. Each College publishes its own financial statements in a form specified by the University of Cambridge. The College pays levies to support the activity of the Office of Intercollegiate Services (OIS). The OIS is responsible primarily for arranging support services to the 31 colleges of the Collegiate University(Cambridge).

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2023 these fees total £6,346 k (2022: £6,049 k). During the year the University paid Peterhouse from these fees sums totalling £1,518k (2022: £1,547k) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year Peterhouse made a contribution under Statute Gil of £202k (2022: £210k) into the Colleges Fund. The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. Peterhouse administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £112k to this scheme (2022: £127k). In the course of its charitable activities, Peterhouse also pays the University of Cambridge for printing, network and other services. In addition, Peterhouse periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

28. Contingent Liability

Peterhouse has entered into a collaboration agreement with a Cambridgeshire landowner in respect of land that both parties are promoting jointly to look to market and develop and the arrangements in place, signed in 2011, do mean that equalisation payments will flow in future as land is sold to ensure that both parties realise the same value per acre. During the year the Cambridgeshire landowner sold part of the land under the Collaboration agreement for £26.0 million. The Group's share was £8.9m (which is recognised in the Consolidated Income and Expenditure Account as a non-operational receipt). During the year the Group also received a net share of £3.5m from a sale of its own land under this agreement. The magnitude and timing of cash flows arising from this agreement in the future are impossible to predict at this stage nor is it possible to predict the effect it will have on the Group.

THE MASTER (OR KEEPER) AND FELLOWS OF PETERHOUSE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137457

Accounts

PETERHOUSE

FOR THE YEAR ENDED

30 JUNE 2022

PETERHOUSE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Contents

	Page
Reference and Administrative Details	2
Senior Officers and Advisors	3
Operating Review	4 - 6
Financial Review	7 - 11
Corporate Governance and Statement of Internal Control	12 - 13
Responsibilities of the Governing Body	14
Report of the Auditors	15 – 17
Statement of Principal Accounting Policies	18 – 24
Consolidated Income and Expenditure Account	25
Statement of Changes in Reserves	26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Accounts	29 – 47

PETERHOUSE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2022

Address

Peterhouse
Trumpington Street
Cambridge
CB2 1TP

Charity Registration number: 1137457

Members of the Governing Body who served during the year

Ms B Kendall MBE (Master)

Dr S.N. Solomou
Professor M.A. Parker
Professor P.C. Woodland
Professor S.F. Deakin
Professor S.E. Jackson
Professor B.P. Simms
Professor M.C. Jones
Dr J.N.B. Carleton Paget
Dr J.M.B. Wallace
Mr S.H. Mandelbrote
Dr A.J. White
Professor P.A. Midgley
Dr R.I. Ross Russell
Dr M.J. Ryan
The Revd Dr S.W.P. Hampton
Dr A Zsák
Dr C.G. Lester
Dr S.M. Murk Jansen
Professor M Moriarty
Professor S.K. Connor
Mr I.N.M. Wright
Dr J.P. Talbot
Dr T.K. Dickens
Professor R.J. Holton
Dr A. Haldar
Professor J.E. Robb
Dr S.J. Lunn-Rockcliffe
Dr G. Christie
Dr T. Long
Dr N.A.S. Zair
Dr G.L. Thomas
Dr LS Slater
Dr T Plesa (appointed 1 October 2021)
Dr G Gerlach (appointed 1 May 2022)
Dr H Porter (appointed 1 May 2022)
Dr T Rittman (appointed 1 May 2022)

PETERHOUSE
SENIOR OFFICERS AND ADVISORS
FOR THE YEAR ENDED 30 JUNE 2022

Current Senior Administrative Officers

Master:	Ms B Kendall MBE
Senior Tutor:	The Revd Dr S.W.P. Hampton
Senior Bursar:	Mr I.N.M. Wright

Principal Legal Advisers

Mills & Reeve
Francis House
112 Hills Road
Cambridge
CB2 1PH

Property Managers

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Knight Frank LLP
20 Hanover Square
London
W1S 1HZ

Fund Managers / Investment Advisors

Cantab Asset Management Ltd
50 Station Road
Cambridge
CB1 2JH

Auditors

Price Bailey LLP
Chartered Accountants and Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers

Barclays Bank PLC
Cambridge Business Centre
Cambridge
CB2 3PZ

Tax Advisor

PEM
Salisbury House,
Station Road
Cambridge
CB1 2LA

PETERHOUSE
OPERATING REVIEW
FOR THE YEAR ENDED 30 JUNE 2022

Introduction

The commentary that follows is intended to give the readers of the financial statements an overview of the finances and operations of Peterhouse and its subsidiaries.

The College is preparing its financial statements in accordance with Recommended Cambridge College Accounts (RCCA) format which has adopted FRS 102.

Scope of the Financial Statements

The consolidated financial statements cover the education, learning, research and religious activities of Peterhouse and also its subsidiary companies. These subsidiaries undertake activities which for legal or commercial reasons are more appropriately carried out by limited companies. The subsidiary companies are listed in note 9.

About the College

Peterhouse is an autonomous, self-governing community of scholars and is the oldest of the 31 colleges within the University of Cambridge.

Formally "The Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge", Peterhouse is a charitable corporation established by Letters Patent dated 31 March, 1284 and granted royal assent by Charter of King Edward I on 28 May, 1285. The College is a registered charity (No. 1137457), with its principal address at Trumpington Street, Cambridge, CB2 1RD.

The College is governed in accordance with its Statutes, made in 1926 and variously amended from time to time by Order of Her Majesty in Council. The Statutes of the University of Cambridge and specific legislation covering the University of Cambridge also apply to the College.

The Statutes of the College lay down the constitution and arrangements for governance of the College. They describe, among other things, the membership and responsibilities of the Governing Body; the election and duties of the Master; the election, admission, tenure and removal of Fellows; and the appointment and duties of College Officers. The Statutes are supplemented by orders for the regulation of the College's affairs, made by the Governing Body in accordance with the Statutes.

The Visitor of the College is the Bishop of Ely.

Aims and objectives of the College

The "laudable design" of Hugo de Balsham, as expressed in the College's founding instruments, was "to introduce scholars in the schools, who are to live together and study in the University of Cambridge; to dwell in the same [College] for ever, and employ themselves with appropriate study, to the praise of God and the perpetual augmentation of the same university."

This forms the basis for the College's statutory purpose, namely to advance education, religion, learning and research through the provision of a College in the University of Cambridge.

As part of a collegiate university, the long-term success of the College, as a centre of academic and educational excellence, is dependent upon the continuance of the University of Cambridge's world-class standing.

Public benefit

The College pursues its charitable objects (to advance education, religion, learning and research) for the public benefit through a wide variety of activities, including:

- admitting undergraduates from a diverse range of educational, social and cultural backgrounds for University courses and admitting graduate students from those accepted by the University;
- providing, in conjunction with the University, a world-class education for undergraduates, particularly through College-based individual or small-group supervision and direction of studies;
- supporting students financially and rewarding excellence and achievement through the provision of bursaries, scholarships, prizes and a range of grants, as well as assisting students in particular financial hardship;
- providing pastoral, administrative and academic support for both undergraduates and graduate students through the Tutorial system and other welfare mechanisms;
- providing library, computing, cultural, musical, sporting and social facilities to enable students to achieve their full potential both academically and otherwise;
- supporting students and Fellows by providing accommodation, catering and other services which also underpin the concept of a multi-disciplinary academic community;
- promoting academic research of the highest quality through annual competitions for election to Research Fellowships and Research Studentships, through supporting the research activities of both Fellows and graduate students, and welcoming academic visitors from other institutions;
- maintaining services in the Chapel regularly during Full Term, promoting the activities of the Choir and fostering the spiritual welfare of College members irrespective of denomination or faith;
- preserving and enhancing the endowments and benefactions, historic buildings and grounds of the College for the benefit of future generations;
- providing access to some of the College's facilities and educational resources to conference guests and also to the general public at times when they are not in use by College members.

Funding

The sources of income of Peterhouse are:

- Fees charged to students for tuition, accommodation and use of other College facilities and services;
- Income from services provided to external customers, including conference and third-party catering activity;
- Benefactions and donations for current use;
- Investment income from our accumulated endowment and other assets.

Achievements and performance

Education

Whilst the impact of the Covid-19 pandemic was still felt during the year, the College continued to deliver teaching to support the University courses and examinations, although some changes to pre-pandemic practices were necessary to ensure the health and well-being of students, Fellows and staff members.

82 full time undergraduates were admitted in the year 2020-21 (2021: 92), bringing the total across all years to 298 (2021: 311); the new intake can be broken down as to 55/45% (2021: 55/45%) arts and sciences, and 55/45% (2021: 57/43%) male, female; the intake was composed of 61 (2021: 75) Home students and 21 (2021: 17) Overseas students; applicants are assessed on the basis of their potential as well as their achievements to date. The number of graduate students on the College's books totalled 195 (2021: 185), of whom 130 (2021: 135) were fee paying.

The College aims to provide supervision and direction of studies by its own Fellows in most of the principal subjects offered by the University; the existing Fellowship, who offer expertise in a wide range of subjects, continued to provide this, largely through teaching of supervision groups.

Most students were able to take classed examinations this year; 239 (2021: 218) undergraduates sat classed University examinations in 2022, with 79.9% (2021: 87.6% obtaining grades in the First Class or the upper division of the Second Class (or in the undivided Second Class); in the other examinations there were 8 Passes; 2 undergraduates were awarded University prizes (2021: 5); 33 graduate students successfully completed an MPhil or other one-year graduate course (2021: 17), 9 (2021:11) completed clinical studies and 28 (2021: 10) satisfied the requirement for the degree of PhD.

75 (2021: 72) undergraduates – some 32.1% of those potentially eligible – received means-tested awards totalling £226k (2021: 240k) under the centralised Cambridge Bursary Scheme, with 39 (2021: 49) of the awards at the maximum value; the scheme is intended to ensure that no UK or EU student should be deterred from applying to Cambridge because of financial considerations; the Tutors deployed a further £177k (2021: £151k) to make loans and grants to support undergraduates facing particular financial hardship; scholarships and prizes worth some £65k (2021: £44k) were awarded by the Governing Body to recognise and reward excellence and achievement, while grants for travel were limited by the Covid pandemic to £45k (2021: £2k). Grants to support student wellbeing were also awarded £8k (2021: £30k).

The College made grants totalling £78k (2021: £51k) to its official student bodies, the Sexcentenary Club (JCR) and Graduate Society to enable them to provide social and sporting support to their members.

The Ward Library added a further 1,519 (2021: 715) volumes during the year, on the recommendation of both Fellows and students and as a result of generous gifts; the project to update the catalogue of the College's rare book collections continued; and the College expanded its Library e-services. Further improvements to facilities and accommodation were made: a full refurbishment providing new accommodation in 39-40 Trumpington Street was progressed; a programme of small bespoke works to improve kitchens and bathrooms in a number of listed properties continued; and the refurbishment of the Brewhouse was completed. The Brewhouse provides music practice rooms and a unique small performance venue for the College's musical events and choir.

Research
Two Research Fellows specialising in Urban Studies, and Applied Mathematics were appointed through the annual competition, for an initial three year term. This took the total number of Research Fellows to nine (2020: 10); these Fellowships enable outstanding academics at the early stages of their careers to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.

Covid extensions were granted to 7 existing holders of Research Studentships (2021: 8). On the recommendation of the Research Studentships Committee a further 3 (2021: 9) Research Studentships were awarded to graduate students on the basis of merit to cover their academic fees and maintenance expenses, bringing the total to 24 (2020: 31) and the annual cost of the scheme to £477k (2021: £722k).. The Tutors made other grants and awards totalling £99k (2020: £34k) to graduate students in order to offset research and maintenance expenses.

Research allowances totalling £45k (2021: £39k) were provided in support of Fellows' research activities. 4 Bye-Fellow (one in Modern Languages, one in Clinical Medicine, and two in Law), 2 Visiting Fellows (one in History, and one in Physics), and three Senior Research Associates (one in Philosophy, one in Medicine, and one in Biological Pysics), were appointed for varying terms. One Research Associateship was also granted to a post-doctoral worker at the University

Religion
The Chapel occupied its usual place at the heart of the College's spiritual life, with a variety of religious services taking place regularly during Full Term, underpinned by Peterhouse's strong choral tradition. The College resumed regular in person worship and hosted a number of events including a local Choral Academy. The College was able once again to support an annual spiritual retreat for its junior members.

The College continued the further refurbishment of the Chapel, which included improvements to the lighting, restoration of the stained glass, and the ongoing refurbishment of the organ.

Additional information about the College's activities can be found in the Peterhouse Annual Record and the College newsletter, as well as on its website (www.pet.cam.ac.uk).

PETERHOUSE
FINANCIAL REVIEW
FOR THE YEAR ENDED 30 JUNE 2022

The financial statements for the year to 30 June 2022 have been prepared in accordance with using the Recommended Cambridge College Accounts (RCCA) format and the external auditors' opinion is unqualified. The College's two wholly-owned subsidiaries have all been consolidated. The two subsidiaries are: Peterhouse Enterprises Limited (PEL), which is engaged in property development, and Peterhouse Conferences and Events Limited, which manages certain Catering and Conference activities undertaken by the College in order to raise funds to further its charitable aims.

The College seeks to run the operating income and expenditure account at breakeven over the long term whilst gradually growing spend on its charitable activities. To this end the College has continued to seek to expand and to invest in the range of services it offers to all its students and research community. However, while the Covid-19 pandemic continues to cast its shadow over the College's finances, the war in Ukraine and subsequent energy shock has created a period of further challenge and uncertainty. These factors have impacted on the finances of the College and the wider University sector and will continue to do so. In addition to these issues, the College is mindful of the longer-term challenge of global warming and the "climate emergency".The College continues to address these challenges by: seeking to minimise energy costs and by investing in energy efficient and low carbon technologies (subject to listing constraints); and by seeking the most effective and efficient way of delivering services, which often involves appropriate use of digital technologies.

The College remains committed to maintaining, preserving and enhancing the historic buildings that underpin its charitable objectives and enrich its community. To this end, the College has carried out a number of substantial projects during the year. These include the re-on-going refurbishment and restoration of the Organ and Chapel,a programme of small works to improve kitchens and bathrooms in undergraduate accommodation significant works at the Brewhouse (which expands the musical facilities available to members of the College) and the refurbishment project at 39-40 Trumpington Street (which will improve the stock of student accommodation).

This year the College showed an overall underlying accounting deficit before donations of £992k. This is an improvement of £456k on the previous year. Third-party Conference and Event activity remained at very low levels because the College has been cautious in restarting certain activities until the pandemic is more clearly over. After adjusting for a (£668k) movement on the USS pension liability, this overall deficit grew to £1,660k.

The underlying deficit before donations partly reflects the fact that a number of initiatives are now being directly funded by gifts and donations. After adjusting for donations, the College showed a deficit of £703k.

Simplified Income and Expenditure	**2022 Total £'000**	**2021 Total £'000**
Total income before donations and endowments*	12,977	11,870
Total expenditure	(13,969)	(13,318)
(Deficit) before donations and USS provision	**(992)**	**(1,448)**
USS provision	(668)	22
(Deficit)/Surplus before donations	**(1,660)**	**(1,426)**
Donations	949	915
New endowments	8	125
Surplus before other gains and losses	**(703)**	**(386)**
Gains on investments and assets	(3,071)	30,158
Deficit for the year	**(3,774)**	**29,772**

* includes gains on investments applied to income

Income/Expenditure

Income from Academic Fees and Charges fell by 0.8% (2021: 7.2% decrease) on the prior year reflecting a fall in the number of home fee-paying undergraduates, partially offset by increases in graduate and overseas undergraduate fee rates. Income from Accommodation, Catering and Conferences rose by 57.5% on the prior year (2021: 32.0% decrease). The physical absence of students in Lent Term 2021 reduced income from room rents and College catering in the 2020/ 21 financial year; in contrast, this year the presence of students for the whole year and greater interaction has seen a significant rise in room and catering income. Although there was a modest amount of Conference and Event Income (2022: £130k; 2021: £0k), this still does not compare to pre-pandemic levels (2020:£760k). Endowment income rose slightly (6.0%); this was driven by the strong performance of the property portfolio which improved as a result of the ending of certain Covid related rent concessions, some significant uplifts on certain lease renewals and some back rents which had been held over from the previous year. Other income fell reflecting the withdrawal of the of the Government's Coronavirus Job Retention Scheme. Overall total College income after donations and endowments rose by £1,210k or 10.8% (2021: £1,228k; 9.0% decrease).

The College's total expenditure rose by £1,341k or 10.1% (2021: £152; 1.0% increase). However, if the effects of the release of USS provisions (£677k) are excluded, then there was an increase of £677k or 5.0%. The most significant factor was the increase in activity as the effects of the pandemic started to subside.

Total depreciation rose by £59k (2021: £62k) because of the additional capitalised expenditure discussed below.

Staff costs and pensions

Total staff costs (academic and non-academic excluding the USS adjustment of £0.7m) remain the most significant expense for the College at £5.4m (2021: £5.2m). Staff costs excluding actuarial adjustments to the pension schemes under FRS102 increased by £186k or 3.6% (2021: £99k or 2.0%). This reflected: the cost of living increase for the year; the return of casual staff and recruitment to a modest number of unfilled posts as more normal activity levels resumed; the increase in USS pension and national insurance contribution rates; and the College's continued commitment to paying its staff at least in line with the Real Living Wage.

The staff CCFPS pension scheme still remains significantly in deficit (under FRS102) in 2022, although the deficit decreased by £3,212k (2021: decreased by £765k). The changes in actuarial assumptions underlying the plan liabilities are the key driver of the decrease in the deficit; these were driven by changes to the discount rate and inflation rate applied to the scheme's liabilities. This scheme is closed to new entrants.

The College includes a share of the USS Scheme's current deficit. Under FRS102 the College is obliged to account for it under money purchase scheme rules, although it is a multi-employer defined benefit scheme. As discussed above, the recent changes to the recovery plan following the latest revaluation has resulted in a £677k debit (2021: £22k credit) being recognised in Income and Expenditure statement; this largely relates to the recognition of future payments by the College that are expected under the recovery plan. Details of this scheme and the CCFPS scheme are included in notes 15 and 22.

Overall the pension scheme liabilities measured under FRS102 have decreased by 45.4% from £5.5m to £3.0m (2021: decreased by 12.6% from £6.3m to £5.5m).

Capital expenditure

The College continued work on the refurbishment of the Chapel which focussed on renovating the organ, an improved lighting scheme, and the resoration of the stained glass. Other refurbishment works (£1.1m) were carried out on 39-40 Trumpington Street; this will upgrade and expand the existing student room stock. The College completed its refurbishment of the Brewhouse (£0.7m) which has expanded the music facilities available to members of the College.

The College takes very seriously its responsibility to maintain the College's operational buildings, most of which are listed and of considerable historic importance, to ensure their compliance with new regulations, and to meet higher energy efficiency standards. The cost of doing this places a significant financial burden on the College.

The College continues to invest in its IT infrastructure and software; during the year the College continued the development of its new accommodation and conference database system. The new database will not only help to meet the requirements of GDPR legislation, but will also improve the College's ability to manage its room stock efficiently.

Endowment and investment performance

The College's survival in its present form is dependent on its endowment capital, which contributes over half its income and has additionally to absorb deficits and provide the funds for necessary building works. The College's investment objective, implemented under the supervision of its Estates & Investments Committee, is to manage its endowment to produce a steadily rising income stream whilst ensuring the long-term preservation of capital value in real terms.

The composition and performance of the College's endowment is summarised in the table below:

	2022	2021
	£'000	£'000
Property	187,344	181,223
Pooled property funds	4,852	4,184
Equities	56,144	80,280
Cash, loans and fixed interest securities	773	-
Cash in hand and at investment managers	12,884	1,043
Other Cash (owed by)/held for the Endowment	(1,038)	(3,284)
Other investments	65	65
Total Investments	**261,024**	**263,511**
Loans	(25,887)	(25,887)
Net Endowment Assets	**235,137**	**237,624**

Endowment return and investment income	2022	2021
	£'000	£'000
Income from:		
Land and buildings	5,173	4,877
Pooled property funds	200	178
Equities	2,004	1,839
Other interest receivable	13	66
Total income	**7,390**	**6,960**
Equities management costs	(190)	(127)
Direct costs of property management, agency fees and maintenance	(528)	(606)
Net income before financing costs	**6,672**	**6,227**
Interest and finance costs	(1,163)	(1,329)
Total net income after financing costs	**5,509**	**4,898**
Capital gains on investments (realised and unrealised)	(2,754)	30,661
Total return for Net Endowment	**2,755**	**35,559**

Last financial year, for the first time, the College adopted a total return accounting policy for its equities and marketable securities portfolio.

After last year's spectacular capital growth, market sentiment was changed by the economic turbulence the Ukraine War and subsequent energy shock; this saw the Equity portfolio fall back in value.

The College reviewed its fund management arrangements during the year with advice from Cantab Asset Management. As a result of this review, itrs and took the decision to move its fundscustody of the equities and marketable securities portfolio from a platform operated by Credit Suisse to a platform operatedmanaged by AJ Bell. At the same time, a decision was made to replace Credit Suisse as the discretionary manager of part of the portfolio.

Reserves

Peterhouse's unrestricted funds at the year-end amounted to £331.8m (2021: £329.3m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. The Governing Body believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The Governing Body is mindful to maintain an equitable balance between the interests of current members of the College and future generations.

Risk Management

The Governing Body has the overall responsibility for identifying and managing the major risks facing the College. Discussion of risks are a routine part of the work of the Governing Body and the associated College Committees. A formal high level risk register is maintained by the Finance Committee and reviewed on an annual basis by the Governing Body. In addition to this, other College Committees review and discuss individual risks which fall within their respective terms of reference on a more frequent basis. College Committees also develop and update College policies to manage and mitigate risks as and when appropriate. Responsibility for the implementation of College policies is delegated to the relevant College Officers and members of staff.

Fundraising

The existence and success of Peterhouse is a reflection of the outstanding generosity over time of Petreans and other benefactors. The College's development campaign continued to make a valuable contribution over the year, with donations and legacies of £1.0m (2021: £1.0m). Of these £8k was raised for permanent endowments (2021: £125k). The combined net costs of fundraising and member relations was £313k (2021: £247k).

The College is registered with the Fundraising Regulator and adheres to its Code of Practice. The College does not use external professional fundraisers and carries out fundraising activities through its Development Office, in collaboration with Cambridge University Development and Alumni Relations Office as appropriate. In addition to seeking financial and other support for the College, the Development Office is also responsible for alumni relations. Fundraising techniques used include face to face meetings, the promotion of legacy giving, annual telephone campaigns and occasional mass mailings to members of the College's community. The College takes very seriously its responsibility to ensure that its assets and resources are used only for the purposes for which they were given. The College does not engage in intrusive or unreasonably persistent methods of fundraising and training is given to all individuals who undertake fundraising activities to ensure that they know how to handle an obviously vulnerable person. There have been no formal complaints made about fundraising (prior year none).

Principal risks and uncertainties

Peterhouse faces a range of risks in meeting its charitable purposes which include financial, operational and reputational risks. These include its long-term ability to attract the best staff and students, to maintain and develop its research and educational offering, and to conserve, refresh, and renew its physical facilities. In addition, the College faces reputational risks in a world where modern communication methods have resulted in higher levels of transparency and scrutiny in wide range of areas.

The College has recently invested in a range of measures to improve further the pastoral support it offers its students. It seeks to foster a supportive and collegiate culture amongst Fellows, students and staff. The College also seeks opportunities to contribute positively to the communities in which it operates and takes seriously its responsibilities as a significant landowner.

While Peterhouse is fortunate in being a relatively well-endowed College, it continues to face financial challenges many of which are common to the University and other Cambridge colleges.

The recent pandemic, the Ukraine war and subsequent inflationary energy shock has made the political, economic and educational landscape increasingly uncertain. Operating costs and particularly energy costs have been subject to considerable inflationary pressures. These pressures are expected to continue into the next financial year at least.
Peterhouse seeks to respond to these financial challenges by focussing on efficient financial management of its operational activities, and the prudent stewardship of its endowment assets for the long term. However, if it is to develop further the activities that are critical to its mission such as research studentships, and to continue to progress its capital expenditure plans across its substantial operational estate, the College will need to raise additional funds over the coming years.

Plans for the future

The College aims to pursue and develop its existing strategy, with a particular focus over the next few years on:

- Recovery from the Covid-19 pandemic and navigating the current economic turbulence;
- The further development of pastoral resources to promote and support student well-being;
- Continued support of its Research Fellowship and Research Studentship scheme to offer financial support for the most talented early-career academics and graduate students;
- Increasing the College's Admissions and Outreach initiatives to attract outstanding applicants for undergraduate and graduate courses from a diverse range of educational, social and cultural backgrounds.

PETERHOUSE
CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 30 JUNE 2022

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

2. The College is a registered charity (registered number No. 1137457) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

3. The Trustees are Governing Body which is advised in carrying out its duties by a number of Committees.

    a. Governance Committee
    b. Remuneration and Benefits Committee
    c. Finance Committee
    d. Estates and Investments Committee
    e. Development Committee
    f. Education Committee
    g. Admissions Committee
    h. Examination Failures Committee
    i. Grants Committee
    j. Honorary & Visiting Fellowships Committee
    k. Research Studentships Committee
    l. Research Fellowships Committee
    m. Travel Grants Committee
    n. Charitable Applications Committee
    o. Co-Ordinating Committee
    p. Peterhouse Boat Club Fund Management Committee
    q. Staff Committee
    r. Food and Wine Committee
    s. Buildings, Fabric and Gardens Committee
    t. IT Committee

4. The principal administrative Officers of the College are the Master, the Senior Bursar, and the Senior Tutor.

5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Finance Committee includes: The Chairman (a Fellow of the College), Senior Tutor, Senior Bursar and several other Fellows of the College.

6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are routinely made at all College committee meetings.

7. The College's Trustees (Members of the Governing Body) during the year ended 30 June 2021 are set out on page 2.

8. The Trustees are the Governing Body which is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.

9. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

10. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes and procedures have been established:

a. The Governing Body meets regularly (typically 13 times) throughout the year to consider the plans and strategic direction of the College; it also reviews and approves the annual financial results and budget.
b. The Governing Body receives interim reports from the Finance Committee which reviews key financial information and statistics on an ongoing basis, including quarterly progress against budget.
c. A Committee Structure has been put in place to review key areas of College activity.
d. Appropriate levels of segregation of duties have been established together with authority limits. These are reviewed periodically.
e. Two Fellows (not already on the Finance Committee) review and audit the College accounts in detail, and provide an independent report on their findings to the Governing Body.
f. A Project Accountant has been employed to review and improve the internal systems and controls.

11. A Fellow on the Governing Body has been designated SIRO (Senior Information Risk Officer) and is responsible for reporting to Governing Body on data protection and information risk issues.

12. The Governing Body's review of the effectiveness of the system of internal control is informed by the work of various Committees, the Senior Bursar, and other College Officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

PETERHOUSE
RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2022

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the Governing Body are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the Governing Body of the Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge

Ms B Kendall MBE
Master

Mr I.N.M. Wright
Senior Bursar

DRAFT INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE
FOR THE YEAR ENDED 30 JUNE 2022

Opinion
We have audited the financial statements of Peterhouse (the 'College') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated 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) and the Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion:

- the financial statements give a true and fair view of the state of the College's and Group's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly 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.

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 UK, including the FRC'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 Governing Body's' 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 Governing Body with respect to going concern are described in the relevant sections of this report

Other information

The other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The Governing Body are responsible for the other information contained within the annual report. 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. 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 themselves. 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.

Matters on which we are required to report by exception

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:

- the information given in the financial statements is inconsistent in any material respect with the report of the Governing Body; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governing Body

As explained more fully in the Governing Body's responsibilities statement set out on page 26, 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 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 Governing Body 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

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

Our 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:

- We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the College this included data protection, health and safety, employment law and financial reporting.

  The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.

- We reviewed minutes of Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the Governing Body.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's 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 part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College's Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the college and the college's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

PRICE BAILEY LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ
Date:

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of Principal Accounting Policies

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 6.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 9. Intra-group balances are eliminated on consolidation.

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. The costs of any fees waived or written off by the College are included as expenditure.

Grant income
Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated 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 Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

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 Consolidated 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.

Statement of Principal Accounting Policies (continued)

Recognition of income (continued)

Donations and endowments (continued)

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 Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

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 operates a total return policy with regard to its quoted securities and pooled property funds. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the market value of the quoted securities and pooled property funds. The actual rate of spending for 2021 when measured against a three year trailing average value was 3.25%.

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

Foreign currency translation

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.

Fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets, including the majority of operational buildings, that had been revalued to fair value on or prior to 1 August 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. These assets had useful economic lives ranging between 5 to 150 years and are depreciated on a straight line basis.

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

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.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Additions to Freehold Buildings, in the form of capitalised refurbishment works or new buildings, are depreciated on a straight line basis over their expected useful lives of 50 years.

Buildings 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.

Statement of Principal Accounting Policies (continued)

Fixed assets (continued)
The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £3,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10.0% per annum
Computer equipment	25.0% per annum
Motor vehicles	20.0% per annum

Leased assets
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.

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 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and also the volume of items and valuation issues mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 August 2014 and valued at over £10k are capitalised and recognised in the Balance Sheet at the cost or, where the assets are donated, at valuation on receipt of these assets where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Expenditure which is required to preserve or prevent further deterioration of individual items within the heritage assets is recognised in the Income and Expenditure Account when it is incurred. The Colleges' management policy in respect of its heritage asset is summarised in note 8.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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

Debtors

Short term debtors are measured at transaction price, less impairment.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Statement of Principal Accounting Policies (continued)

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.

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.

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.

Statement of Principal Accounting Policies (continued)

Financial Liabilities (continued)

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.

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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Taxation

The College is a registered charity (number 1137457). It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and, accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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

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 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.

Statement of Principal Accounting Policies (continued)

Pension costs

Universities Superannuation Scheme (USS)

The institution 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 institution 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 institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution 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 profit and loss account.
FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors 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 recovery plan in existence at the date of approving these financial statements.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Other pension schemes

The College also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the College. The annual contributions payable are charged to the Income and Expenditure Account.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In order to calculate the discounted pension liability, the College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension costs (continued)

Critical accounting estimates and areas of judgement (continued)

The present value of the USS and CCFPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 30 June 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

Legacy accounting

For legacies, entitlement is taken as the earlier of the date of which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

PETERHOUSE

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2022

	Note	Unrestricted	Restricted	Restricted Permanent Endowment	2022 Total	Unrestricted	Restricted Permanent Endowment	Endowment	2021 Total
Income		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Academic fees and charges	1	2,360	3	-	2,363	2,378	5	-	2,383
Accommodation, catering and conferences	2	2,729	-	-	2,729	1,733	-	-	1,733
Investment income	3	6,877	19	494	7,390	6,492	18	450	6,960
Endowment return transferred	3	-	559	(559)	-	-	562	(562)	-
Other income	4	178	-	-	178	291	-	-	291
Total income before donations and endowments		**12,144**	**581**	**(65)**	**12,660**	**10,894**	**585**	**(112)**	**11,367**
Donations		210	739	-	949	123	792	-	915
New endowments		-	-	8	8	-	-	125	125
Total income		**12,354**	**1,320**	**(57)**	**13,617**	**11,017**	**1,377**	**13**	**12,407**
Expenditure									
Education	4	5,523	1,093	-	6,616	4,824	783	-	5,607
Accommodation, catering and conferences	5	5,267	83	-	5,350	4,842	76	-	4,918
Other expenditure		2,424	2	43	2,469	2,532	1	28	2,561
Contribution under Statute G, II		202	-	-	202	210	-	-	210
Total expenditure	6	**13,416**	**1,178**	**43**	**14,637**	**12,408**	**860**	**28**	**13,296**
(Deficit)/Surplus before other gains and losses		**(1,062)**	**142**	**(100)**	**(1,020)**	**(1,391)**	**517**	**(15)**	**(889)**
Gains on investments applied to income	10	249	3	65	317	386	5	112	503
(Deficit)/Surplus before other gains and losses applied to income		**(813)**	**145**	**(35)**	**(703)**	**(1,005)**	**522**	**97**	**(386)**
Gain/(loss) on investments	10	(397)	(100)	(2,574)	(3,071)	27,095	117	2,946	30,158
Surplus/(deficit)/for the year		**(1,210)**	**45**	**(2,609)**	**(3,774)**	**26,090**	**639**	**3,043**	**29,772**
Other comprehensive income									
Miscellaneous capital receipts and payments		521	-	-	521	142	-	-	142
Actuarial loss in respect of pension schemes	15	3,309	-	-	3,309	952	-	-	952
Total comprehensive income for the year		**2,620**	**45**	**(2,609)**	**56**	**27,184**	**639**	**3,043**	**30,866**

The notes on pages 29 to 47 form part of these accounts.

PETERHOUSE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 JUNE 2022

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2020	**302,066**	**6,191**	**16,114**	**324,371**
Surplus from income and expenditure statement	26,090	639	3,043	29,772
Other comprehensive income	1,094	-	-	1,094
Balance at 30 June 2021	**329,250**	**6,830**	**19,157**	**355,237**

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2021	**329,250**	**6,830**	**19,157**	**355,237**
Surplus from income and expenditure statement	(1,210)	45	(2,609)	(3,774)
Other comprehensive income	3,830	-	-	3,830
Balance at 30 June 2022	**331,870**	**6,875**	**16,548**	**355,293**

The notes on pages 29 to 47 form part of these accounts.

PETERHOUSE

CONSOLIDATED AND COLLEGE BALANCE SHEET

AS AT 30 JUNE 2022

	Note	2022 Consolidated £'000	2022 College £'000	2021 Consolidated £'000	2021 College £'000
Non-current Assets					
Fixed assets	9	119,829	119,829	119,006	119,006
Investments	10	262,062	261,620	266,795	266,383
		381,891	**381,449**	**385,801**	**385,389**
Current assets					
Stocks	11	421	421	439	439
Trade and other receivables	12	2,634	2,742	2,584	2,897
Cash and cash equivalents	13	2,024	1,831	878	542
		5,079	**4,994**	**3,901**	**3,878**
Creditors: amounts falling due within one year	14	(2,828)	(2,788)	(3,081)	(3,093)
Net current assets		**2,251**	**2,206**	**820**	**785**
Total Assets less current liabilities		**384,142**	**383,655**	**386,621**	**386,174**
Creditors: amounts falling due after more than one year	15	(25,887)	(25,887)	(25,887)	(25,887)
Provisions					
Pension provisions	16	(2,962)	(2,962)	(5,497)	(5,497)
Total net assets		**355,293**	**354,806**	**355,237**	**354,790**
Restricted reserves					
Income and expenditure reserve – endowment reserve	17	16,548	16,548	19,157	19,157
Income and expenditure reserve – restricted reserve	18	6,875	6,875	6,830	6,830
Total Restricted reserves		**23,423**	**23,423**	**25,987**	**25,987**
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		331,870	331383	329,250	328,803
Total Reserves		**355,293**	**354,806**	**355,237**	**354,790**

The accompanying notes on pages 29 to 47 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 21 November 2022 and signed on their behalf by:

Ms B Kendall MBE

Master

Mr I.N.M. Wright

Senior Bursar

PETERHOUSE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £'000	2021 £'000 Restated
Net cash outflow from operating activities	19	(4,329)	(3,225)
Cash flows from investing activities	20	18,574	2,531
Cash flows from financing activities	21	(1,163)	(13,329)
Increase in cash and cash equivalents in the year		**13,082**	**(14,023)**
Cash and cash equivalents at beginning of the year		1,789	15,182
Cash and cash equivalents at end of the year	**22**	**14,871**	**1,789**

The notes on pages 29 to 47 form part of these accounts.

1. Academic fees and charges

	2022 £'000	2021 £'000
College Fees		
Fee income received at the Regulated Undergraduate rate	1,023	1,122
Fee income received at the Unregulated Undergraduate rate	571	519
Fee income received at the Graduate rate	554	530
Other income	215	212
	2,363	2,383

2. Income from accommodation, catering and conferences

		2022 £'000	2021 £'000
Accommodation	College members	2,202	1,587
	Conferences	38	-
Catering	College Members	360	146
	Conferences	129	-
Total		2,729	1,733

3. Total return and investment income

3a. Analysis

	2022 £'000	2021 £'000
Income from:		
Land and buildings	5,173	4,877
Quoted Pooled Property Funds	200	178
Quoted securities	2,004	1,839
Other interest receivable	13	66
Total	7,390	6,960
Total endowment return applied to income	**559**	**562**
Land and buildings	5,173	4,877
Quoted Pooled Property Funds	182	162
Quoted securities	1,528	1,405
Other interest receivable	13	66
Less excess of total return over income received	(65)	(112)
Total	7,390	6,960

3b. Summary of total return

	2022 £'000	2021 £'000
Income from:		
Quoted Pooled Property Funds	18	16
Quoted Securities	476	434
	494	450
Gains/(losses) on investment assets:		
Quoted Securities and Pooled Property Funds	(2,509)	3,058
Investment management costs	(43)	(28)
Total return for year	(2,058)	3,480
Total return transferred to income and expenditure reserve (see note 17)	(559)	(562)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 17)	(2,617)	2,918

3.c Investment management costs

	2022 £'000	2021 £'000
Land and buildings	171	155
Quoted securities – equities	190	127
Total	361	282

4. Other Income

	2022 £'000	2021 £'000
Income from Coronavirus Job Retention Scheme	40	266
Other income	138	25
Total	178	291

5. Education expenditure

	2022 £'000	2021 £'000
Teaching	2,116	1,671
Tutorial	962	705
Admissions	608	539
Research	1,083	846
Scholarships and awards	1043	1,178
Other educational facilities	804	668
Total	6,616	5,607

6. Accommodation, catering and conferences expenditure

		2022 £'000	2021 £'000
Accommodation	College members	3,282	3,189
	Conferences (including meeting rooms)	61	10
Catering	College Members and staff	1,885	1,707
	Conferences	122	12
Total		5,350	4,918

7a. Analysis of 2021/2022 expenditure by activity

	Staff costs (Note 7) £'000	Other Operating Expenses £'000	Depreciation £'000	2022 Total £'000
Education	3,284	2,670	662	6,616
Accommodation, catering and conferences	2,416	1,262,	1,672	5,350
Other	327	2,344	-	2,671
Total	6,027	6,276	2,334	14,637

7b. Analysis of 2020/2021 expenditure by activity

	Staff costs (Note 7) £'000	Other Operating Expenses £'000	Depreciation £'000	2021 Total £'000
Education	2,673	2,289	645	5,607
Accommodation, catering and conferences	2,242	1,046	1,630	4,918
Other	236	2,535	-	2,771
Total	5,151	5,870	2,275	13,296

Other expenditure includes fundraising costs of £180k (2021: £143k). This expenditure does not include the costs of alumni relations.

7c. Auditors remuneration

Other operating expenses include:	2022 £'000	2021 £'000
Audit fees payable to the College's external auditors	22	23
Other fees payable to the College's external auditors	-	-
Total	22	23

8. Staff and external teaching costs

	College Fellows 2022 £'000	Academic 2022 £'000	Non Academic 2022 £'000	Total 2022 £'000
Staff and external teaching costs:				
Emoluments	1,211	-	2,877	4,088
External teaching costs	-	193	-	193
Social Security costs	127	-	262	389
Other pension costs	902	-	455	1,357
Total	2,240	193	3,594	6,027

College Fellows include Academic Emoluments (£948k), Social Security costs (£94k), Other pension costs (£701k).

	College Fellows 2021 £'000	Academic 2021 £'000	Non Academic 2021 £'000	Total 2021 £'000
Staff and external teaching costs:				
Emoluments	1,226	-	2,682	3,908
External teaching costs	-	180	-	180
Social Security costs	116	-	253	369
Other pension costs	221	-	473	694
Total	1,563	180	3,408	5,151

College Fellows include Academic Emoluments (£963k), Social Security costs (£83k), Other pension costs (£172k).

Average number of staff:	2022	2021
Academic (Full-time)	19	21
Academic (Part-time)	61	46
Non-academic (Full-time)	66	61
Non-academic (Part-time)	42	42
Total	188	170

The Governing Body comprised 37 Fellows, of which 34 are stipendiary.

The reduction in part-time non-academic staff in 2021 compared to 2020 was due to the impact of the Covid-19 pandemic on the use of casual staff, particularly within the catering department.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. During the year there were 3 (2021: 3) members of the key management team and total remuneration (including pensions and national insurance contributions) and other benefits were £360,000 (2021: £352,000).

8. Staff costs (continued)

Trustees Remuneration

No Trustee is remunerated for being a Trustee.

Trustees are required to make disclosure of potential conflicts of interest at all College Committee meetings. A register of interests for all Trustees is maintained by the College.

The Trustees are remunerated for specific College offices which have associated duties of Teaching, Tutorial, Research, and Administration. The Trustees remuneration is overseen by the Remuneration Committee. This Committee consists of four independent members.

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

From	To	2022 Number	2021 Number
£1	£10,000	13	10
£10,001	£20,000	8	10
£20,001	£30,000	4	2
£30,001	£40,000	2	1
£40,001	£50,000	-	-
£50,001	£60,000	1	2
£60,001	£70,000	1	-
£70,001	£80,000	1	1
£80,001	£90,000	3	4
£90,001	£100,000	1	-
	Total	**34**	**30**

The total Trustee salaries were £901,000 for the year (2021: £820,000). No individual Trustee's salary exceeded £100,000 during the year.

The Trustees were also paid other taxable benefits (including employer contributions to pensions) which totalled £206,000 (2021: £197,000).

The Trustees also received grants from the College towards their research totalling £29,000 (2021: £30,000).

Travel and other business expenses reimbursed by Trustees in their capacity as officers of the College totalled £8,000 (2021: £2,000).

The Trustees are entitled to a daily meal at College expense.

No trustees had loans with the College at the year end.

9. Fixed assets

Group	Land and buildings £'000	Equipment £'000	2022 Total £'000	2021 Total £'000
Cost/valuation				
At beginning of year	130,592	2,976	133,568	131,009
Additions	2,989	168	3,157	2,559
Disposals	-	-	-	-
At end of year	133,581	3,144	136,275	133,568
Accumulated depreciation				
At beginning of year	13,418	1,144	14,562	12,287
Charge for the year	2,132	202	2,334	2,275
Eliminated on disposals	-	-	-	-
At end of year	15,550	1,346	16,896	14,562
Net book value				
At 30 June 2022	118,031	1,798	119,829	119,006
At 1 July 2021	117,174	1,832	119,006	118,722

College	Land and buildings £'000	Equipment £'000	2022 Total £'000	2021 Total £'000
Cost/valuation				
At beginning of year	130,592	2,976	133,568	131,009
Additions	2,989	168	3,157	2,559
At end of year	133,581	3,144	136,275	133,568
Accumulated depreciation				
At beginning of year	13,418	1,144	14,562	12,287
Charge for the year	2,132	202	2,334	2,275
At end of year	15,550	1,346	16,896	14,562
Net book value				
At 30 June 2022	118,031	1,798	119,829	119,006
At 1 July 2021	117,174	1,832	119,006	118,722

The insured value of freehold land and buildings as at 30 June 2022 was £144m (2021: £140m).

The College has not made any heritage asset acquisitions since 1 August 2014 and, therefore, have not included any heritage assets in the Balance Sheet. Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

10. Investments

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
At beginning of year	**266,795**	**266,383**	**234,915**	**234,365**
Additions	16,725	16,725	40,061	39,999
Disposals	(30,545)	(30,545)	(38,049)	(37,749)
(Loss)/gain	(2,754)	(2,784)	30,661	30,561
Increase/(decrease) in cash balances held at fund managers	11,841	11,841	(793)	(793)
At end of year	**262,062**	**261,620**	**266,795**	**266,383**

Represented by:	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Property	187,344	186,507	181,223	180,416
Pooled Property Funds	4,852	4,852	4,184	4,184
Quoted securities – securities	56,144	56,144	80,280	80,280
Loans and fixed interest securities	773	773	-	-
Investment in subsidiary undertakings	-	460	-	460
Cash in hand and at investment managers	12,884	12,884	1,043	1,043
Other investments	65	-	65	-
	262,062	**261,620**	**266,795**	**266,383**

Investment assets and endowment assets are managed as a single pool and are both included within the note above.

The investment in subsidiaries represents 100% of the issued share capital of Peterhouse Enterprises Limited ("PEL"), and Peterhouse Conference and Events Limited ("PCEL"). All companies are registered in the United Kingdom.

PEL develops property and holds property for rental. Any taxable revenue surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2022 the company had share capital and reserves totalling £459,252 (2021: £447,128) and the result after tax (but before deed of covenant) for the year then ended was £-15,876 loss (2021: £132,987 t).

PCEL runs conference and events facilities. Any taxable surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2022 the company had share capital and reserves totalling £1 (2021: £-7,919) and the result after tax (but before deed of covenant) for the year then ended was £9,141 (2021: £-7,920).

The Group has an investment through Manor Farm Stretham LLP in a residential housing development in Cambridgeshire. PEL holds an investment at cost of £65k (2021: £65k) in the LLP. Manor Farm Stretham LLP had borrowed on commercial terms £773k at 30 June 2022 (2021: £0k) from the College.

The Group has an investment in a property called Fornham Business Court and this is partially funded by a loan from a third party (see note 14: Other loans).

11. Stocks and work in progress

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Other stocks	421	421	439	439

12. Trade and other receivables

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Members of the College	52	52	103	102
Amount due from subsidiary undertaking	-	360	-	416
Other receivables	1,258	1,020	1,094	1,092
Prepayments and accrued income	1,324	1,310	1,387	1,287
Total	2,634	2,742	2,584	2,897

13. Cash and cash equivalents

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Bank deposits	1,489	1,309	353	30
Current accounts	535	522	525	512
Total	2,024	1,831	878	542

14. Creditors: amounts falling due within one year

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Bank overdraft	37	37	132	132
Members of the College	232	232	277	277
Amounts due to subsidiary undertakings	-	-	-	17
Bank loans	-	-	-	-
University fees	37	37	148	148
Contribution to Colleges Fund	202	202	210	210
Other Creditors (e.g. VAT)	1,497	1,476	1,511	1,508
Accruals and deferred income	823	804	803	801
Total	2,828	2,788	3,081	3,093

15. Creditors: amounts falling due after more than one year

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Bank loans	24,000	24,000	24,000	24,000
Other loans	1,887	1,887	1,887	1,887
	25,887	25,887	25,887	25,887

Included within creditors due in more than one year are the following loans and facilities:

£8 million due for repayment by 27/02/2031. The loan bears fixed interest rates of 4.345% on £1 million, 4.415% on £2 million and 4.575% on £5 million.

£16 million due for repayment by 12/11/2057. The loan bears fixed interest rates of 4.970% on £8 million and 5.005% on £8 million.

16. Pension Provisions

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Balance at beginning of year	**5,497**	**5,497**	**6,277**	**6,277**
Movement in year:				
Current service cost including life assurance	1,228	1,228	571	571
Contributions	(552)	(552)	(490)	(490)
Other finance cost	99	99	91	91
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(3,310)	(3,310)	(952)	(952)
Balance at end of the year	**2,962**	**2,962**	**5,497**	**5,497**

Split as follows:

CCFPS
Pension Provisions

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Balance at beginning of year	**4,974**	**4,974**	**5,739**	**5,739**
Movement in year:				
Current service cost including life assurance	295	295	321	321
Contributions	(287)	(287)	(218)	(218)
Other finance cost	90	90	84	84
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(3,310)	(3,310)	(952)	(952)
Balance at end of the year	**1,762**	**1,762**	**4,974**	**4,974**

16. Pension Provisions (continued)

USS
Pension Provisions

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Balance at beginning of year	**523**	**523**	**538**	**538**
Movement in year:				
Current service cost including life assurance	933	933	250	250
Contributions	(265)	(265)	(272)	(272)
Other finance cost	9	9	7	7
Balance at end of the year	**1,200**	**1,200**	**523**	**523**

17. Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent Endowments 2022 Base Value £'000	Restricted Permanent Endowments 2022 Unapplied return £'000	Restricted Permanent Endowments 2022 Total £'000	Restricted Permanent Endowments 2021 Total £'000
Group and College				
Balance at beginning of year	**16,239**	**2,918**	**19,157**	16,114
Increase/(decrease) in market value of investments	-	(2,509)	(2,509)	3,058
Investment Income	-	494	494	450
Management charges	-	(43)	(43)	(28)
Endowment return transferred to other unspent restricted income	-	(559)	(559)	(562)
New donations and endowments	8	-	8	125
Movement in Year	**8**	**(2,617)**	**(2,609)**	**3,043**
Balance at end of the year	**16,247**	**301**	**16,548**	**19,157**

Included within reserves the following amounts represent the Unapplied Total Return of the College:

	2022 £'000	2021 £'000
Unapplied Total Return at beginning of year	**2,918**	**-**
Unapplied Total Return for year (see note 3b)	(2,617)	2,918
Unapplied Total Return at end of year	**301**	**2,918**

17. Endowment funds (continued)

	Restricted Permanent Endowments 2022 Base Value £'000	Restricted Permanent Endowments 2022 Unapplied return £'000	Restricted Permanent Endowments 2022 Total £'000	Restricted Permanent Endowments 2021 Total £'000
Analysis by type of purpose:				
Research, studentship, scholarship funds	12,949	240	13,189	15,278
Student hardship	2,320	42	2,362	2,727
Prizes	421	8	429	497
Travel grants	333	7	340	393
Library fund	70	1	71	81
Garden fund	139	3	142	163
Kelvin fund	15	-	15	18
	16,247	**301**	**16,548**	**19,157**
Analysis by asset:				
Investments	**16,247**	**301**	**16,548**	**19,157**

18. Restricted Reserves

Reserves with restrictions for the current year are as follows (full comparatives follow on the next page):

Group and College

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2022 Total £'000	2021 Total £'000
Balance at beginning of year	**437**	**6,393**	**6,830**	**6,191**
Application of total return on Endowment return transferred	559	-	559	562
Transfer of Income	(605)	605	-	-
Increase/(decrease) in market value of investments	-	(97)	(97)	122
Investment income	-	19	19	18
Management charges	-	(2)	(2)	(1)
New grants	-	3	3	5
New donations	-	739	739	792
Expenditure	-	(1,176)	(1,176)	(859)
Movement in the year	**(46)**	**91**	**87**	**639**
Balance at end of year	**391**	**6,484**	**6,875**	**6,830**

18. Restricted Reserves (continued)

Analysis of other restricted funds/ donations by type of purpose:

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2022 Total £'000	2021 Total £'000
Music	-	77	77	87
Works of art	-	7	7	7
Research, studentship, scholarship funds	181	786	967	1,041
Student hardship	177	329	506	391
Boat club fund	-	423	423	478
Cricket club	-	3	3	3
Prizes	29	15	44	41
Perne library	-	17	17	17
Travel grants	2	37	39	54
Library fund	1	13	14	13
Chapel	-	1,110	1,110	1,029
Lectures	-	47	47	48
Kelvin Fund	1	-	1	1
Buildings fund	-	3,620	3,620	3,620
	391	**6,484**	**6,875**	**6,830**

19. Reconciliation of consolidated surplus for the year to net cash outflow from operating activities

	2022 £'000	2021 £'000
(Deficit)/surplus for the year	(3,774)	29,772
Adjustment for non-cash items:		
Depreciation	2,334	2,275
Loss/(Gain) on endowments and investments	2,754	(30,661)
Decrease/(increase) in stock	18	(9)
(Increase)/ decrease in trade and other receivables	(50)	151
(Decrease)/increase in creditors	(158)	706
Pension costs less contributions payable	774	172
Adjustment for investing or financing activities:		
Investment Income	(7,390)	(6,960)
Loan interest payable	1,163	1,329
Net cash outflow from operating activities	**(4,329)**	**(3,225)**

20. Cash flows from investing activities

	2022 £'000	2021 £'000 Restated
Non-current investment disposals and capital receipts	31,066	38,191
Investment income	7,390	6,960
Endowment funds invested	(16,725)	(40,061)
Payments to acquire tangible fixed assets	(3,157)	(2,559)
Total cash flows from investing activities	**18,574**	**2,531**

21. Cash flows from financing activities

	2022 £'000	2021 £'000
Interest paid	(1,163)	(1,329)
Repayments of amounts borrowed	-	(12,000)
Net cash outflow from financing activities	(1,163)	**(13,329)**

22. Analysis of cash and cash equivalents

	At beginning of year £'000 Restated*	Cash flows £'000	At end of year £'000
Bank overdraft	(132)	95	(37)
Cash at bank and in hand	878	1,146	2,024
Cash at investment managers	1,043	11,841	12,884
Net Funds	**1,789**	**13,082**	**14,871**

*Cash is restated to reflect the reclassification of Cash in at investment managers.

23. Pension Schemes

Universities Superannuation Scheme (USS)

The total cost charged to the profit and loss account is £933k (2021: £250K).

Deficit recovery contributions due within one year for the institution are £81k (2021: £65k).

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%.

23. Pension Schemes (continued)

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).

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:

	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	3.80%	1.80%
Pensionable salary growth	3.25%	3.10%]

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College operates a defined benefits 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.

23. Pension Schemes (continued)

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

	30 June 2022 % p.a.	30 June 2021 % p.a.
Discount rate	3.80	1.80
Increase in salaries	3.25	3.10
Retail Prices Index (RPI) assumption	3.45*	3.40
Consumer Prices Index (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% per annum, 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 these calculations.

The amounts recognised in the Balance Sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows:

	30 June 2022 £'000	30 June 2021 £'000
Present value of plan liabilities	(13,164)	(17,950)
Market Value of plan assets	11,402	12,976
Net defined benefit liability	**(1,762)**	**(4,974)**

The amounts to be recognised in Income and Expenditure for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	30 June 2022 £'000	30 June 2021 £'000
Current service cost	275	304
Administrative expenses	20	17
Interest on net defined benefit liability	90	84
Loss on plan changes	-	-
Total	**385**	**405**

23. Pension Schemes (continued)

Changes in the present value of the plan liabilities for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	30 June 2022 £'000	30 June 2021 £'000
Present value of plan liabilities at beginning of period	17,950	17,976
Current service cost (including Employee contributions)	327	358
Benefits paid	(29)	(456)
Interest on plan liabilities	326	260
Actuarial (gain)/loss	(5,409)	(187)
Loss on plan changes	-	-
Present value of plan liabilities at end of period	**13,165**	**17,951**

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:

	30 June 2022 £'000	30 June 2021 £'000
Market value of plan assets at beginning of period	12,977	12,237
Contributions paid by the College	287	218
Employee contributions	52	54
Benefits paid	(29)	(456)
Administrative expenses paid	(27)	(30)
Interest on plan assets	236	176
Return on assets, less interest included in Profit & Loss	(2,093)	777
Market value of plan assets at end of period	11,403	12,976
Actual return on plan assets	(1,857)	954

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 ending 30 June 2020) are as follows:

	2022	2021
Equities	52%	48%
Bonds and cash	34%	42%
Property	14%	10%

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

Analysis of the re-measurement 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 Income and Expenditure	(2,093)	777
Expected less actual plan expenses	(7)	(13)
Experience gains and losses arising on plan liabilities	(184)	17
Changes in assumptions underlying the present value of plan liabilities	5,594	171
Re-measurement of net defined benefit liability recognised in OCI	3,310	952

23. Pension Schemes (continued)

Movement in surplus/ (deficit) during the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £'000	2021 £'000
Surplus deficit in Scheme at beginning of the year	(4,974)	(5,739)
Recognised in Profit and Loss	(385)	(405)
Contributions paid by the College	287	218
Actuarial gain recognised in OCI	3,310	952
Surplus deficit in plan at the end of the year	**(1,762)**	**(4,974)**

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 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 were incorporated into the plan's latest Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £91,513 per annum payable for the period from 1 July 2021to 31 March 2030.

These payments are subject to review following the next funding valuation, due as at 31 March 2023.

Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £129k (2020: £123k).

The total pension cost for the College for the year to 30 June 2022 shown in note 8 was as follows:

	2022 £'000	2021 £'000
USS: Charged to Income and Expenditure Account	933	250
CCFPS: Charged to Income and Expenditure Account	295	321
CCGPS: Defined Contribution Scheme Employer contributions	129	123
	1,357	694

24. Capital Commitments

	2022 £'000	2021 £'000
Capital commitment at 30 June 2022 are as follows:		
Authorised and contracted	7,301	2,624

25. Operating Leases - Lessor

At 30 June 2022 the College had granted non-cancellable operating leases in respect of its freehold investment properties as follows:

	2022 £'000	2021 £'000
Expiring within one year	780	1,480
Expiring between two and five years	694	904
Expiring in over five years	2,900	2,549
	4,374	4,933

26. Consolidated reconciliation and analysis of net debt

	At 1 July 2021 £'000	Cash Flows £'000	At 30 June 2022 £'000
Cash and cash equivalents	878	1,146	2,024
Borrowings-			
Amounts falling due within one year:			
Unsecured bank loans	-	-	-
Bank overdraft	(132)	95	(37)
Borrowings-			
Amounts falling due after more than one year:			
Unsecured bank loans	(24,000)	-	(24,000)
Unsecured other loans	(1,887)	-	(1,887)
Net total debt	**(25,141)**	**1,241**	**(23,900)**

27. Related Party Transactions

No disclosure of transactions with Peterhouse Library Charity Limited, Peterhouse Enterprises Limited or Peterhouse Conference and Events Limited has been made as those financial statements at 30 June 2022 have been consolidated within these accounts. Any payments from the College to Trustees appear in note 8 within Trustees Remuneration. From time to time, Trustees may make use of the services provided by Peterhouse Conference and Events Limited, but these are on arms-length commercial terms (2022: £3k; 2021: £Nil).

Due to the nature of the College's operations and the composition of its Governing Body, it is inevitable that the College will enter into transactions in the normal course of business with the University of Cambridge, Colleges, Research Councils, other grant-awarding bodies, and other private and public sector organisations in which members of the Governing Body may have an interest. All transactions involving organisations in which members of Governing Body may have such an interest are conducted in accordance with the College's financial regulations and usual procurement procedures, and where material are separately disclosed below.

There are 31 Colleges, each of which is an independent corporation with its own property and income. Each College publishes its own financial statements in a form specified by the University of Cambridge. The College pays levies to support the activity of the Office of Intercollegiate Services (OIS). The OIS is responsible primarily for arranging support services to the 31 colleges of the Collegiate University (Cambridge).

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2022 these fees total £6,049 k (2021: £5,981 k). During the year the University paid Peterhouse from these fees sums totalling £1,547k (2021: £1,588k) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year Peterhouse made a contribution under Statute GII of £210k (2021: £210k) into the Colleges Fund. The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. Peterhouse administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £127k to this scheme (2021: £120k). In the course of its charitable activities, Peterhouse also pays the University of Cambridge for printing, network and other services. In addition, Peterhouse periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

28. Contingent Liability and Post balance sheet events

Peterhouse has entered into a Collaboration Agreement with a medical charity in respect of some land that it owns and also some land that is owned by the medical charity group. Both parties also signed a Promotion Agreement with a third party commercial Promoter in 2011 with respect to this land. The terms of the Collaboration Agreement mean that, in the event of the successful promotion and sale for development of land covered by the Agreement, certain equalisation payments may flow in future from one party to the other. The equalisation payments are calculated to ensure that both Peterhouse and the medical charity ultimately realise the same value per acre of land sold for development.

On 11th November 2022 Peterhouse completed the grant of a 150 year lease to British Land on part of the Collaboration Agreement land referred to above. This continues the Peterhouse policy of retaining freehold interest in land in and around Cambridge for the long term benefit of the College. As a result of this lease, the Peterhouse received a lease premium payment from British Land of £17.5m net of Promotion Fees. Under the terms of the Collaboration Agreement, Peterhouse is due to pay £14.0m to the medical charity at some point within 12 months of the date of the lease. As a result of future land sales by the medical charity group, the Peterhouse Group may receive corresponding sums from the medical charity group under the terms of the Collaboration Agreement. At this stage the magnitude and timing of receipts from the medical charity group under the Collaboration Agreement cannot be predicted with sufficient confidence and so no asset or liability from these transactions has been recognised on the balance sheet.

THE MASTER (OR KEEPER) AND FELLOWS OF PETERHOUSE IN THE UNIVERSITY OF CAMBRIDGE

England & Wales - Charity number 1137457

Accounts

PETERHOUSE

FOR THE YEAR ENDED

30 JUNE 2021

PETERHOUSE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

Contents

	Page
Reference and Administrative Details	2
Senior Officers and Advisors	3
Operating Review	4 - 6
Financial Review	7 - 11
Corporate Governance and Statement of Internal Control	12 - 13
Responsibilities of the Governing Body	14
Report of the Auditors	15 – 17
Statement of Principal Accounting Policies	18 – 24
Consolidated Income and Expenditure Account	25
Statement of Changes in Reserves	26
Balance Sheet	27
Cash Flow Statement	28
Notes to the Accounts	29 – 47

PETERHOUSE
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 30 JUNE 2021

Address

Peterhouse
Trumpington Street
Cambridge
CB2 1TP

Charity Registration number: 1137457

Members of the Governing Body who served during the year

Ms B Kendall MBE (Master)

Dr S.N. Solomou
Professor M.A. Parker
Professor P.C. Woodland
Professor S.F. Deakin
Professor S.E. Jackson
Professor B.P. Simms
Professor M.C. Jones
Dr J.N.B. Carleton Paget
Professor A.M.L. Lever (resigned 30 September 2020)
Dr J.M.B. Wallace
Mr S.H. Mandelbrote
Dr A.J. White
Professor P.A. Midgley
Dr R.I. Ross Russell
Dr M.J. Ryan
The Revd Dr S.W.P. Hampton
Dr A Zsák
Dr C.G. Lester
Dr S.M. Murk Jansen
Professor M Moriarty
Professor S.K. Connor
Mr I.N.M. Wright
Dr J.P. Talbot
Dr T.K. Dickens
Professor R.J. Holton
Dr A. Haldar
Professor J.E. Robb
Dr S.J. Lunn-Rockcliffe
Dr G. Christie
Dr T. Long
Dr N.A.S. Zair
Dr J.B. Hofmann (resigned 30 September 2020)
Dr G.L. Thomas
Dr L.S. Slater

PETERHOUSE
SENIOR OFFICERS AND ADVISORS
FOR THE YEAR ENDED 30 JUNE 2021

Current Senior Administrative Officers

Master:	Ms B Kendall MBE
Senior Tutor:	The Revd Dr S.W.P. Hampton
Senior Bursar:	Mr I.N.M. Wright

Principal Legal Advisers

Mills & Reeve
Francis House
112 Hills Road
Cambridge
CB2 1PH

Property Managers

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Knight Frank LLP
20 Hanover Square
London
W1S 1HZ

Fund Managers / Investment Advisors

Credit Suisse (UK) Ltd
Five Cabot Square
London
E14 4QR

Cantab Asset Management Ltd
50 Station Road
Cambridge
CB1 2JH

Auditors

Price Bailey LLP
Chartered Accountants and Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Bankers

Barclays Bank PLC
Cambridge Business Centre
Cambridge
CB2 3PZ

Tax Advisor

PEM
Salisbury House,
Station Road
Cambridge
CB1 2LA

PETERHOUSE
OPERATING REVIEW
FOR THE YEAR ENDED 30 JUNE 2021

Introduction

The commentary that follows is intended to give the readers of the financial statements an overview of the finances and operations of Peterhouse and its subsidiaries.

The College is preparing its financial statements in accordance with Recommended Cambridge College Accounts (RCCA) format which has adopted FRS 102.

Scope of the Financial Statements

The consolidated financial statements cover the education, research and religious activities of Peterhouse and also its subsidiary companies. These subsidiaries undertake activities which for legal or commercial reasons are more appropriately carried out by limited companies. The subsidiary companies are listed in note 10.

About the College

Peterhouse is an autonomous, self-governing community of scholars and is the oldest of the 31 colleges within the University of Cambridge.

Formally "The Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge", Peterhouse is a charitable corporation established by Letters Patent dated 31 March, 1284 and granted royal assent by Charter of King Edward I on 28 May, 1285. The College is a registered charity (No. 1137457), with its principal address at Trumpington Street, Cambridge, CB2 1RD.

The College is governed in accordance with its Statutes, made in 1926 and variously amended from time to time by Order of Her Majesty in Council. The Statutes of the University of Cambridge and specific legislation covering the University of Cambridge also apply to the College.

The Statutes of the College lay down the constitution and arrangements for governance of the College. They describe, among other things, the membership and responsibilities of the Governing Body; the election and duties of the Master; the election, admission, tenure and removal of Fellows; and the appointment and duties of College Officers. The Statutes are supplemented by orders for the regulation of the College's affairs, made by the Governing Body in accordance with the Statutes.

The Visitor of the College is the Bishop of Ely.

Aims and objectives of the College

The "laudable design" of Hugo de Balsham, as expressed in the College's founding instruments, was "to introduce scholars in the schools, who are to live together and study in the University of Cambridge; to dwell in the same [College] for ever, and employ themselves with appropriate study, to the praise of God and the perpetual augmentation of the same university."

This forms the basis for the College's statutory purpose, namely to advance education, religion, learning and research through the provision of a College in the University of Cambridge.

As part of a collegiate university, the long-term success of the College, as a centre of academic and educational excellence, is dependent upon the continuance of the University of Cambridge's world-class standing.

Public benefit

The College pursues its charitable objects (to advance education, religion, learning and research) for the public benefit through a wide variety of activities, including:

- admitting undergraduates from a diverse range of educational, social and cultural backgrounds for University courses and admitting graduate students from those accepted by the University;
- providing, in conjunction with the University, a world-class education for undergraduates, particularly through College-based individual or small-group supervision and direction of studies;
- supporting students financially and rewarding excellence and achievement through the provision of bursaries, scholarships, prizes and a range of grants, as well as assisting students in particular financial hardship;
- providing pastoral, administrative and academic support for both undergraduates and graduate students through the Tutorial system and other welfare mechanisms;
- providing library, computing, cultural, musical, sporting and social facilities to enable students to achieve their full potential both academically and otherwise;
- supporting students and Fellows by providing accommodation, catering and other services which also underpin the concept of a multi-disciplinary academic community;
- promoting academic research of the highest quality through annual competitions for election to Research Fellowships and Research Studentships, through supporting the research activities of both Fellows and graduate students, and welcoming academic visitors from other institutions;
- maintaining services in the Chapel regularly during Full Term, promoting the activities of the Choir and fostering the spiritual welfare of College members irrespective of denomination or faith;
- preserving and enhancing the endowments and benefactions, historic buildings and grounds of the College for the benefit of future generations;
- providing access to some of the College's facilities and educational resources to conference guests and also to the general public at times when they are not in use by College members.

Funding

The sources of income of Peterhouse are:

- Fees charged to students for tuition, accommodation and use of other College facilities and services;
- Income from services provided to external customers, including conference activity;
- Benefactions and donations for current use;
- Investment income from our accumulated endowment and other assets.

In the year under review, the College also received furlough income from the Government in respect of the Coronavirus Job Retention Scheme.

Achievements and performance

Education
In spite of Covid-19 pandemic, the College continued to deliver teaching to support the University courses and examinations, although some of this was provided remotely, particularly during the countrywide lockdown.

92 full time undergraduates were admitted in the year 2020-21 (2020: 82), bringing the total across all years to 311 (2020: 292); the new intake can be broken down as to 51/49% (2020: 55/45%) arts and sciences, and 55/45% (2020: 56/44%) male, female; the intake was composed of 75 (2020: 64) Home and EU students and 17 (2020: 18) Overseas students; applicants are assessed on the basis of their potential as well as their achievements to date. The number of graduate students on the College's books totalled 185 (2020: 178), of whom 135 (2020: 136) were fee paying.

The College aims to provide supervision and direction of studies by its own Fellows in most of the principal subjects offered by the University; the existing Fellowship, who offer expertise in a wide range of subjects, continued to provide this, largely through online teaching of supervision groups.

In contrast to last year, most students were able to take classed examinations this year; 218 (2020: 75) undergraduates sat classed University examinations in 2021, with 87.6% (2020: 99%) obtaining grades in the First Class or the upper division of the Second Class (or in the undivided Second Class); in the other examinations there were 4 Passes; 5 undergraduates were awarded University prizes (2020: 4);17 graduate students successfully completed an MPhil or other one-year graduate course (2020: 19), 11 (2020: 2) completed clinical studies and 10 (2020: 21) satisfied the requirement for the degree of PhD.

72 (2020: 69) undergraduates – some 29% of those potentially eligible – received means-tested awards totalling £240k (2020: 216k) under the centralised Cambridge Bursary Scheme, with 49 (2020: 46) of the awards at the maximum value; the scheme is intended to ensure that no UK or EU student should be deterred from applying to Cambridge because of financial considerations; the Tutors deployed a further £151k (2020: £137k) to make loans and grants to support undergraduates facing particular financial hardship; scholarships and prizes worth some £44k (2020: £48k) were awarded by the Governing Body to recognise and reward excellence and achievement, while grants for travel were limited by the Covid pandemic to £2k (2020: £22k). Grants to support student wellbeing were awarded to address the impact of Covid-19 totalling £30k (2020: £22k).

The College made grants totalling £51k (2020: £63k) to its official student bodies, the Sexcentenary Club (JCR) and Graduate Society to enable them to provide social and sporting support to their members.

The Ward Library added a further 715 (2020: 1,022) volumes during the year, on the recommendation of both Fellows and students and as a result of generous gifts; the project to update the catalogue of the College's rare book collections continued; and the College expanded its Library e-services. Further improvements to facilities and accommodation were made: a fully accessible entrance to provide better disabled access to the Lubbock Theatre and Ward Library; a programme of small works to improve kitchens and bathrooms in a number of listed properties; and the completion of the refurbishment of student accommodation at 23 Parkside.

Research
Four Research Fellows specialising in Persian Studies, Physics, Geophysics and Computer Science were appointed through the annual competition, for an initial three year term, which took the total number of Research Fellows to 10 (2020: 12); these Fellowships enable outstanding academics at the early stages of their careers to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.

Covid extensions were granted to 8 existing holders of Research Studentships. On the recommendation of the Research Studentships Committee a further 9 (2020: 12) Research Studentships were awarded to graduate students on the basis of merit to cover their academic fees and maintenance expenses, bringing the total to 31 (2020: 35) and the annual cost of the scheme to £722k (2020: £743k); the Tutors made other grants and awards totalling £34k (2020: £103k) to graduate students in order to offset research and maintenance expenses.

Research allowances totalling £39k (2020: £46k) were provided in support of Fellows' research activities; one Bye-Fellow was appointed in Modern Languages. One Research Associateship was also granted to a post-doctoral worker at the University. The programme for Visiting Fellows was deferred as a result of the ongoing Covid-19 pandemic.

Religion
The Chapel occupied its usual place at the heart of the College's spiritual life, with a variety of religious services taking place regularly during Full Term, underpinned by Peterhouse's strong choral tradition. During most of the year services were broadcast online and meetings took place via videoconference to continue to provide that spiritual and communal focus for the College during the difficulties caused by the Covid-19 pandemic.

The College continued the further refurbishment of the Chapel which included improvements to the lighting, restoration of the stained glass, and the ongoing refurbishment of the organ.

Additional information about the College's activities can be found in the Peterhouse Annual Record and the College newsletter, as well as on its website (www.pet.cam.ac.uk).

PETERHOUSE
FINANCIAL REVIEW
FOR THE YEAR ENDED 30 JUNE 2021

The financial statements for the year to 30 June 2021 have been prepared in accordance with the Recommended Cambridge College Accounts (RCCA) format and the external auditors' opinion is unqualified. The College's three wholly-owned subsidiaries have all been consolidated. The three subsidiaries included are: Peterhouse Enterprises Limited (PEL), which is engaged in property development; Peterhouse Conferences and Events Limited, which manages certain Catering and Conference activities undertaken by the College in order to raise funds to further its charitable aims; and Peterhouse Library Charity Limited. Peterhouse Library Charity Limited ceased trading on 30 June 2019 and after a period of dormancy was struck off the Companies House Register during the current financial year.

The College seeks to run the operating income and expenditure account at breakeven over the long term whilst gradually growing spend on its charitable activities. To this end the College has continued to seek to expand and to invest in the range of services it offers to all its students and research community. However, the Covid-19 pandemic has created a period of challenge and uncertainty, which has impacted on the finances of the College and the wider University sector.

The College has addressed these challenges by: seeking to minimise operating costs where activity has been curbed by measures to prevent the spread of Covid-19; making use of the Government furlough scheme where appropriate; allowing certain staff vacancies to remain unfilled for an extended period; and the adopting a total return accounting for its marketable equity and securities portfolio to provide a stable stream of income.

The College remains committed to maintaining and preserving the historic buildings that underpin its charitable objectives and enrich its community. The College also seeks to maintain and gradually enhance its stock of operational properties, and has completed a number of projects during the year in addition to the on-going refurbishment and restoration of the Organ and Chapel. These completed projects include: a fully accessible entrance to provide better disabled access to the Lubbock Theatre and Ward Library; and a programme of small bespoke works to improve kitchens and bathrooms in undergraduate accommodation (in staircases in Old Court, Gisbourne Court, and Fitzwilliam Street). The College completed works to improve graduate accommodation at 23 Parkside and accommodation for clinical medics on Porson Road, close to Addenbrooke's Hospital. The College continued a project at the Brewhouse to expand the musical facilities available to members of the College.

The College's activities during the financial year were dominated by Covid-19 and the resulting lockdown in the Lent Term 2021. During this period the University asked students, both undergraduate and postgraduate, to return home where possible, and teaching remained online. The physical absence of students in Lent Term 2021 and the cancellation of all conference and catering event activity during the financial year forced the College into an overall accounting deficit before donations of £1,426k.

The underlying deficit before donations partly reflects the fact that a number of initiatives are now being directly and specifically funded by gifts and donations. However, the effects of the reduction in activity had a clear impact, particularly the much higher than expected vacancy within the College's stock of student accommodation; this was in spite of the modest but welcome relief provided by the Government's furlough scheme. After adjusting for donations, the College showed a deficit of £386k. A strong performance in College's property and equity portfolios resulted in an overall increase in reserves of £29.8m.

Simplified Income and Expenditure	**2021 Total £'000**	**2020 Total £'000**
Total income before donations and endowments*	11,870	12,799
Total expenditure	(13,318)	(13,478)
(Deficit) before donations and USS provision	**(1,448)**	**(679)**
USS provision	22	334
(Deficit)/surplus before donations	**(1,426)**	**(345)**
Donations	915	830
New endowments	125	6
(Deficit)/surplus before other gains and losses	**(386)**	**491**
Gain/(loss) on investments retained in capital	30,158	(1,844)
Surplus/(deficit) for the year	**29,772**	**(1,353)**

* includes gains on investments applied to income

Income/Expenditure

Income from Academic Fees and Charges rose by 7.2% (2020: 6.0%) on the prior year reflecting a change in the mix of fee paying students and, in particular, by an increase in undergraduate numbers resulting from a larger than usual first year undergraduate cohort in 2020-21. Income from Accommodation, Catering and Conferences fell by 32.0% on the prior year (2020: 14.2% decrease). The physical absence of students in Lent Term reduced income from room rents and College catering in that period; the result was that income from these areas fell slightly below the already depressed levels experienced in the previous year.

However, the cancellation of all conference and catering event activity during the financial year and resultant loss of £694k of income was particularly significant. The effects of this loss were to some degree offset by the income from the College's use of the Government's Coronavirus Job Retention Scheme; receipts from this scheme are included in Sundry Income.

Endowment income fell by 9.7% (2020: 0.2% decrease); whilst the adoption of total return and application of investment gains to income for the first time more than offset the Covid related decline in dividends from marketable securities and funds, income from property and other interest receivable both fell. Property income fell through a combination of factors: certain properties were temporarily left vacant when tenancies came to an end; certain leases were renewed in less favourable market conditions; and there were a small number of agreed rent concessions to tenants who had been badly affected by the pandemic. A loan balance was repaid which reduced the other interest receivable. Overall total College income before donations and endowments fell by £1,228k or -9.0% (2020: £114k; 0.9% decrease).

The College's total expenditure rose modestly by £152k or 1.2% (2020: £649k; 4.7% increase). However, if the effects of the release of USS provisions are excluded, then there was a fall of £160k or 1.2%. The most significant factor driving this decline was the reduction in activity resulting from the current pandemic. This led to a reduced spend on a range of categories, including catering provisions, event costs, utilities etc.

Total depreciation rose by £62k (2020: £25k) as a result of the additional capitalised expenditure discussed below.

Staff costs and pensions

Total staff costs (academic and non-academic) remain the most significant cost for the College at £5.2m (2019: £4.7m). Staff costs excluding actuarial adjustments to the pension schemes under FRS102 increased by £99k or 2.0% (2020: £324k or 6.8%). This reflected the cost of living increase for the year, the full year impact of the planned increase in Research Fellows, the appointment of a Mental Health Advisor to strengthen the welfare team, the cost of sabbatical cover, the ongoing impact of auto-enrolment, the increase in USS pension contribution rates; and the College's continued commitment to paying its staff at least in line with the Living Wage.

The staff CCFPS pension scheme remains significantly in deficit (under FRS102) in 2021, although the deficit decreased by £765k (2020: increased by £1,187k). The changes in actuarial assumptions underlying the plan liabilities are the key driver of the decrease in the deficit; these were driven by changes to the discount rate and inflation rate applied to the scheme's liabilities. This scheme is closed to new entrants.

The College includes a share of the USS Scheme's current deficit. Under IFRS the College is obliged to account for it under money purchase scheme rules, although it is a multi-employer defined benefit scheme. The recent changes to the recovery plan following the latest revaluation has resulted in a £22k credit (2020: £344k credit) being recognised in Income and Expenditure statement; this largely relates to the recognition of future payments by the College that are expected under the recovery plan. Details of this scheme and the CCFPS scheme are included in notes 16 and 23.

Overall the pension scheme liabilities measured under FRS102 have decreased by 12.6% from £6.3m to £5.5m (2020: increased by 16.1% from £5.4m to £6.3m).

Capital expenditure

The College continued work on the refurbishment of the Chapel which focussed on renovating the organ. Other refurbishment works (£0.7m) were carried out on graduate accommodation at 23 Parkside and Porson Road. The College also continued its refurbishment of the Brewhouse (£1.0m) which will expand the music facilities available to members of the College.

The College takes very seriously its responsibility to maintain the College's operational buildings, most of which are listed and of historic importance, to ensure their compliance with new regulations, and to improve energy efficiency standards required to meet the College's "net zero" aspiration by 2038. The cost of doing this places a significant financial burden on the College.

The College continues to invest in its IT infrastructure and software; during the year the College continued the introduction of a new accommodation and conference database system. The new database will not only help to meet the requirements of the recently introduced GDPR legislation, but will also improve the College's ability to manage its room stock efficiently.

Endowment and investment performance

The College's survival in its present form is dependent on its endowment capital, which contributes over half its income and has additionally to absorb deficits and provide some of the funds for necessary building works. The College's investment objective, implemented under the supervision of its Estates & Investments Committee, is to manage its endowment in line with the College's Statement of Investment Principles to produce a steadily rising income stream whilst ensuring the long-term preservation of capital value in real terms.

The composition and performance of the College's endowment is summarised in the table below:

	2021 £'000	2020 £'000
Property	181,223	160,404
Pooled property funds	4,184	4,018
Equities	80,280	66,436
Cash, loans and fixed interest securities	-	2,044
Cash in hand and at investment managers	1,043	1,836
Other Cash (owed by)/held for the Endowment	(3,284)	10,467
Other investments	65	177
Total Investments	**263,511**	**245,382**
Loans	(25,887)	(37,887)
Net Endowment Assets	**237,624**	**207,495**

Endowment return and investment income	2021 £'000	2020 £'000
Income from:		
Land and buildings	4,877	5,222
Pooled property funds	178	220
Equities	1,839	2,058
Other interest receivable	66	210
Total income	**6,960**	**7,710**
Equities management costs	(127)	(118)
Direct costs of property management, agency fees and maintenance	(606)	(511)
Net income before financing costs	**6,227**	**7,081**
Interest and finance costs	(1,329)	(1,332)
Total net income after financing costs	**4,898**	**5,749**
Capital gains on investments (realised and unrealised)	30,661	(1,844)
Total return for Net Endowment	**35,559**	**3,905**

This financial year, for the first time, the College has adopted a total return accounting approach for its marketable securities portfolio.

During the year the College made substantial changes to its property portfolio by acquiring land (£26.1m) at Fulbourn and then immediately granted long leaseholds on this land to a third party for premiums totalling £15.5m. In addition, the College sold two other pieces of land to two separate third parties, for £5.0m and £1.5m respectively.

Reserves

Peterhouse's unrestricted funds at the year-end amounted to £329.3m (2020: £302.0m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. The Governing Body believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The Governing Body is mindful to maintain an equitable balance between the interests of current members of the College and future generations.

Risk Management

The Governing Body has the overall responsibility for identifying and managing the major risks facing the College. Discussion of risks are a routine part of the work of the Governing Body and the associated College Committees. A formal high level risk register is maintained by the Finance Committee and reviewed on an annual basis by the Governing Body. In addition to this, other College Committees review and discuss individual risks which fall within their respective terms of reference on a more frequent basis. College Committees also develop and update College policies to manage and mitigate risks as and when appropriate. Responsibility for the implementation of College policies is delegated to the relevant College Officers and members of staff.

Fundraising

The continued existence of Peterhouse is a reflection of the outstanding generosity over time of Petreans and other benefactors. The College's development campaign continued to make a valuable contribution over the year, with donations and legacies of £1.0m (2020: £0.8m). Of these £125k was raised for permanent endowments (2020: £6k). The combined net costs of fundraising and member relations was £247k (2020: £315k).

The College is registered with the Fundraising Regulator and adheres to its Code of Practice. The College does not use external professional fundraisers and carries out fundraising activities through its Development Office, in collaboration with Cambridge University Development and Alumni Relations Office as appropriate. In addition to seeking financial and other support for the College, the Development Office is also responsible for alumni relations. Fundraising techniques used include face to face meetings, the promotion of legacy giving, annual telephone campaigns and occasional mass mailings to members of the College's community. The College takes very seriously its responsibility to ensure that its assets and resources are used only for the purposes for which they were given. The College does not engage in intrusive or unreasonably persistent methods of fundraising and training is given to all individuals who undertake fundraising activities to ensure that they know how to handle an obviously vulnerable person. There have been no formal complaints made about fundraising (prior year none).

Principal risks and uncertainties

Peterhouse faces a range of risks in meeting its charitable purposes which include financial, operational and reputational risks. These include its long-term ability to attract the best staff and students, to maintain and develop its research and educational offering, and to conserve, refresh, and renew its physical facilities. In addition, the College faces reputational risks in a world where modern communication methods have resulted in higher levels of scrutiny in wide range of areas.

The College has recently invested in a range of measures to improve further the pastoral support it offers its students. It seeks to foster a supportive and collegiate culture amongst Fellows, students and staff. The College also seeks opportunities to contribute positively to the communities in which it operates and takes seriously its responsibilities as a significant landowner.

While Peterhouse is fortunate in being a relatively well-endowed College, it continues to face financial challenges many of which are common to the University and other Cambridge colleges.

The recent pandemic and the outcome of the UK's departure from the EU has made the political, economic and educational landscape increasingly uncertain. This is against a back drop of cuts by Government to funding for teaching and research, coupled with fees for students rising steeply in recent years. Operating costs in the meantime have been subject to ongoing inflationary pressures. In addition, the two defined benefit pension schemes which the College is part of have moved into significant funding deficits in recent years due to adverse movements in the financial markets.

Peterhouse seeks to respond to these financial challenges by focussing on efficient financial management of its operational activities, and the prudent stewardship of its endowment assets for the long term. However, if it is to develop further the activities that are critical to its mission such as research studentships, and to continue to progress its capital expenditure plans across its substantial operational estate, the College will need to raise additional funds over the coming years.

Plans for the future

The College aims to pursue and develop its existing strategy, with a particular focus over the next few years on:

- The challenges and consequences of the Covid-19 pandemic;
- The further development of staffing and pastoral care to promote and support student well-being;
- Continued support of its Research Fellowship and Research Studentship scheme to offer financial support for the most talented early-career academics and graduate students;
- Increasing the College's Admissions and Outreach initiatives to attract outstanding applicants for undergraduate and graduate courses from a diverse range of educational, social and cultural backgrounds.

PETERHOUSE
CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 30 JUNE 2021

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.

2. The College is a registered charity (registered number No. 1137457) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.

3. The Trustees are Governing Body which is advised in carrying out its duties by a number of Committees.

    a. Governance Committee
    b. Remuneration Committee
    c. Finance Committee
    d. Estates and Investments Committee
    e. Development Committee
    f. Education Committee
    g. Admissions Committee
    h. Examination Failures Committee
    i. Grants Committee
    j. Honorary & Visiting Fellowships Committee
    k. Research Studentships Committee
    l. Research Fellowships Committee
    m. Travel Grants Committee
    n. Charitable Applications Committee
    o. Co-rdinating Committee
    p. Peterhouse Boat Club Fund Management Committee
    q. Staff Committee
    r. Food and Wine Committee
    s. Buildings, Fabric and Gardens Committee
    t. IT Committee

4. The principal administrative Officers of the College are the Master, the Senior Bursar, and the Senior Tutor.

5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Finance Committee includes: The Chairman (a Fellow of the College), Senior Tutor, Senior Bursar and several other Fellows of the College.

6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are routinely made at all College committee meetings.

7. The College's Trustees (Members of the Governing Body) during the year ended 30 June 2021 are set out on page 2.

8. The Trustees are the Governing Body which is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.

9. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.

10. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control. The following processes and procedures have been established:

a. The Governing Body meets regularly (typically 13 times) throughout the year to consider the plans and strategic direction of the College; it also reviews and approves the annual financial results and budget.
b. The Governing Body receives interim reports from the Finance Committee which reviews key financial information and statistics on an ongoing basis, including quarterly progress against budget.
c. A Committee Structure has been put in place to review key areas of College activity.
d. Appropriate levels of segregation of duties have been established together with authority limits. These are reviewed periodically.
e. Two Fellows (not already on the Finance Committee) review and audit the College accounts in detail, and provide an independent report on their findings to the Governing Body.
f. A Project Accountant has been employed to review and improve the internal systems and controls.

11. A Fellow on the Governing Body has been designated SIRO (Senior Information Risk Officer) and is responsible for reporting to Governing Body on data protection and information risk issues.

12. The Governing Body's review of the effectiveness of the system of internal control is informed by the work of various Committees, the Senior Bursar, and other College Officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

PETERHOUSE
RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2021

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

The College's Statutes and the Statutes and Ordinances of the University of Cambridge require the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit of the College for that period. In preparing these financial statements, the Governing Body are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

On behalf of the Governing Body of the Master (or Keeper) and Fellows of Peterhouse in the University of Cambridge

Ms B Kendall MBE
Master

Mr I.N.M. Wright
Senior Bursar

Opinion

We have audited the financial statements of Peterhouse (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2021 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 group's and College's affairs as at 30 June 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly 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.

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 and College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 Governing Body's' 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 Governing Body with respect to going concern are described in the relevant sections of this report

Other information

The other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The Governing Body are responsible for the other information contained within the annual report. 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. 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 themselves. 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.

Matters on which we are required to report by exception

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:

- the information given in the financial statements is inconsistent in any material respect with the report of the Governing Body; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governing Body

As explained more fully in the Governing Body's responsibilities 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 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 Governing Body 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

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

Our 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:

- We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the College this included data protection, health and safety, employment law and financial reporting.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions to identify large or unusual transactions.

- We reviewed key authorisation procedures and decision making processes for any unusual or one-off transactions.

- We reviewed minutes of Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.

- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.

- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the Governing Body.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's 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 part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College's Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the college and the college's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Price Bailey LLP

PRICE BAILEY LLP
Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ
Date: 1 December 2021

Price Bailey LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

PETERHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2021

Statement of Principal Accounting Policies

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 6.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 10. Intra-group balances are eliminated on consolidation.

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. The costs of any fees waived or written off by the College are included as expenditure.

Grant income
Grants received from non-government sources (including research grants from non-government sources) are recognised within the Consolidated 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 Consolidated Statement of Comprehensive Income and Expenditure in line with such conditions being met.

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 Consolidated 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.

Statement of Principal Accounting Policies (continued)

Recognition of income (continued)

Donations and endowments (continued)

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 Consolidated Statement of Comprehensive Income and Expenditure when the College is entitled to the income.

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 operates a total return policy with regard to its quoted securities and pooled property funds. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the market value of the quoted securities and pooled property funds. The actual rate of spending for 2021 when measured against a three year trailing average value was 3.25%.

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

Foreign currency translation

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 in place, at contract rates. The resulting exchange differences are dealt with in the determination of the comprehensive income and expenditure for the financial year.

Fixed assets

Land and buildings
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets, including the majority of our operational buildings, that had been revalued to fair value on or prior to 1 August 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. These assets had useful economic lives ranging between 5 to 150 years and are depreciated on a straight line basis.

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

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.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Additions to Freehold Buildings, in the form of capitalised refurbishment works or new buildings, are depreciated on a straight line basis over their expected useful lives of 50 years.

Buildings 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.

Statement of Principal Accounting Policies (continued)

Fixed assets (continued)
The cost of additions to operational property shown in the balance sheet includes the cost of land. Furniture, fittings and equipment costing less than £3,000 per individual item or group of related items is written off in the year of acquisition. All other assets are capitalised and depreciated over their expected useful life as follows:

Furniture and fittings	10.0% per annum
Computer equipment	25.0% per annum
Motor vehicles	20.0% per annum

Leased assets
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.

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 August 2014 have not been capitalised since reliable estimates of cost or value are not available on a cost benefit basis, and also the volume of items and valuation issues mean that it is neither practical nor beneficial to identify and value them. Acquisitions since 1 August 2014 and valued at over £10k are capitalised and recognised in the Balance Sheet at the cost or, where the assets are donated, at valuation on receipt of these assets where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material. Expenditure which is required to preserve or prevent further deterioration of individual items within the heritage assets is recognised in the Income and Expenditure Account when it is incurred. The Colleges' management policy in respect of its heritage asset is summarised in note 8.

Investments

Fixed asset investments are included in the balance sheet at fair value, except for investments in subsidiary undertakings which are stated in the College's balance sheet at cost and eliminated on consolidation. Investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value/market value.

Stocks

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

Debtors

Short term debtors are measured at transaction price, less impairment.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price.

Statement of Principal Accounting Policies (continued)

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.

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.

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.

Statement of Principal Accounting Policies (continued)

Financial Liabilities (continued)

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.

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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Taxation

The College is a registered charity (number 1137457). It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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

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 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.

Statement of Principal Accounting Policies (continued)

Pension costs

Universities Superannuation Scheme (USS)

The College participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2017 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The directors are satisfied that the scheme provided by USS 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 financial statements.

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College participates in the Cambridge Colleges Federated Pension Scheme, a defined benefit scheme. Pension costs are assessed in accordance with the advice of the actuary, based on the latest actuarial valuation of the Scheme and are accounted for on the basis of providing pensions over the period during which the College benefits from the employees' services.

Other pension schemes

The College also operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the College. The annual contributions payable are charged to the Income and Expenditure Account.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In order to calculate the discounted pension liability, the College makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Pension costs (continued)

Critical accounting estimates and areas of judgement (continued)

The present value of the USS and CCFPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 30 June 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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.

Legacy accounting

For legacies, entitlement is taken as the earlier of the date on which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

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.

PETERHOUSE

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Unrestricted	Restricted	Restricted Permanent Endowments	Total	Unrestricted	Restricted	Restricted Permanent Endowments	Total
Income		**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Academic fees and charges	1	2,378	5	-	2,383	2,221	2	-	2,223
Accommodation, catering and conferences	2	1,733	-	-	1,733	2,547	-	-	2,547
Investment income	3	6,492	18	450	6,960	7,218	492	-	7,710
Endowment return transferred	3		562	(562)	-	-	-	-	-
Other income	4	291	-	-	291	319	-	-	319
Total income before donations and endowments		**10,894**	**585**	**(112)**	**11,367**	**12,305**	**494**	**-**	**12,799**
Donations		123	792	-	915	169	661	-	830
New endowments		-	-	125	125	-	-	6	6
Total income		**11,017**	**1,377**	**13**	**12,407**	**12,474**	**1,155**	**6**	**13,635**
Expenditure									
Education	5	4,824	783	-	5,607	4,971	952	-	5,923
Accommodation, catering and conferences	6	4,842	76	-	4,918	4,722	78	-	4,800
Other expenditure		2,532	1	28	2,561	2,221	-	-	2,221
Contribution under Statute G, II		210	-	-	210	200	-	-	200
Total expenditure	7	**12,408**	**860**	**28**	**13,296**	**12,114**	**1,030**	**-**	**13,144**
(Deficit)/Surplus before other gains and losses		**(1,391)**	**517**	**(15)**	**(889)**	**360**	**125**	**6**	**491**
Gains on investments applied to income	10	386	5	112	503	-	-	-	-
(Deficit)/surplus after other gains and losses applied to income		**(1,005)**	**522**	**97**	**(386)**	**360**	**125**	**6**	**491**
Gain/(loss) on investments	10	27,095	117	2,946	30,158	(1,411)	(15)	(418)	(1,844)
Surplus/(deficit)/for the year		**26,090**	**639**	**3,043**	**29,772**	**(1,051)**	**110**	**(412)**	**(1,353)**
Other comprehensive income									
Miscellaneous capital receipts and payments		142	-	-	142	-	-	-	-
Actuarial loss in respect of pension schemes	16	952	-	-	952	(1,030)	-	-	(1,030)
Total comprehensive income for the year		**27,184**	**639**	**3,043**	**30,866**	**(2,081)**	**110**	**(412)**	**(2,383)**

The notes on pages 29 to 47 form part of these accounts.

PETERHOUSE

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 30 JUNE 2021

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2019	**304,147**	**6,081**	**16,526**	**326,754**
Surplus/(deficit) from income and expenditure statement	(1,051)	110	(412)	(1,353)
Other comprehensive income	(1,030)	-	-	(1,030)
Balance at 30 June 2020	**302,066**	**6,191**	**16,114**	**324,371**

Consolidated	Income and expenditure reserve			
	Unrestricted	Restricted	Endowment	Total
	£'000	£'000	£'000	£'000
Balance at 1 July 2020	**302,066**	**6,191**	**16,114**	**324,371**
Surplus from income and expenditure statement	26,090	639	3,043	29,772
Other comprehensive income	1,094	-	-	1,094
Balance at 30 June 2021	**329,250**	**6,830**	**19,157**	**355,237**

The notes on pages 29 to 47 form part of these accounts.

PETERHOUSE

CONSOLIDATED AND COLLEGE BALANCE SHEET

AS AT 30 JUNE 2021

	Note	2021 Consolidated £'000	2021 College £'000	2020 Consolidated £'000	2020 College £'000
Non-current Assets					
Fixed assets	9	119,006	119,006	118,722	118,722
Investments	10	266,795	266,383	234,915	234,365
		385,801	**385,389**	**353,637**	**353,087**
Current assets					
Stocks	11	439	439	430	430
Trade and other receivables	12	2,584	2,897	2,735	3,915
Cash and cash equivalents	13	878	542	14,142	13,029
		3,901	**3,878**	**17,307**	**17,374**
Creditors: amounts falling due within one year	14	(3,081)	(3,093)	(14,409)	(14,399)
Net current assets		**820**	**785**	**2,898**	**2,975**
Total Assets less current liabilities		**386,621**	**386,174**	**356,535**	**356,062**
Creditors: amounts falling due after more than one year	15	(25,887)	(25,887)	(25,887)	(25,887)
Provisions					
Pension provisions	16	(5,497)	(5,497)	(6,277)	(6,277)
Total net assets		**355,237**	**354,790**	**324,371**	**323,898**
Restricted reserves					
Income and expenditure reserve – endowment reserve	17	19,157	19,157	16,114	16,114
Income and expenditure reserve – restricted reserve	18	6,830	6,830	6,191	6,191
Total Restricted reserves		**25,987**	**25,987**	**22,305**	**22,305**
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		329,250	328,803	302,066	301,593
Total Reserves		**355,237**	**354,790**	**324,371**	**323,898**

The accompanying notes on pages 29 to 47 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 22 November 2021 and signed on their behalf by:

Ms B Kendall MBE
Master

Mr I.N.M. Wright
Senior Bursar

PETERHOUSE

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 £'000	2020 £'000
Net cash outflow from operating activities	19	(3,225)	(4,105)
Cash flows from investing activities	20	3,324	10,479
Cash flows from financing activities	21	(13,329)	(1,299)
(Decrease)/increase in cash and cash equivalents in the year		**(13,230)**	**5,075**
Cash and cash equivalents at beginning of the year		13,976	8,901
Cash and cash equivalents at end of the year	**22**	**746**	**13,976**

The notes on pages 29 to 47 form part of these accounts.

1. Academic fees and charges

	2021 £'000	2020 £'000
College Fees		
Fee income received at the Regulated Undergraduate rate	1,122	1,040
Fee income received at the Unregulated Undergraduate rate	519	476
Fee income received at the Graduate rate	530	525
Other income	212	182
	2,383	2,223

2. Income from accommodation, catering and conferences

		2021 £'000	2020 £'000
Accommodation	College members	1,587	1,489
	Conferences	-	361
Catering	College members	146	364
	Conferences	-	333
Total		1,733	2,547

3. Total return and investment income

3a. Analysis	2021 £'000	2020 £'000
Income from:		
Land and buildings	4,877	5,222
Quoted pooled property funds	178	220
Quoted securities	1,839	2,058
Other interest receivable	66	210
Total	6,960	7,710
Total endowment return applied to income	**562**	-
Land and buildings	4,877	5,232
Quoted pooled property funds	162	210
Quoted securities	1,405	2,058
Other interest receivable	66	210
Less excess of total return over income received	(112)	
	6,960	7,710

3b. Summary of total return

	2021 £'000	2020 £'000
Income from:		
Quoted Pooled Property Funds	16	-
Quoted Securities	434	-
	450	-
Gains/(losses) on investment assets:		
Quoted Securities and Pooled Property Funds	3,058	-
Investment management costs	(28)	-
Total return for year	3,480	-
Total return transferred to income and expenditure reserve (see note 17)	(562)	-
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 17)	2,918	-

3.c Investment management costs	2021 £'000	2020 £'000
Land and buildings	155	135
Quoted securities – equities	127	118
Total	282	253

4. Other Income	2021 £'000	2020 £'000
Income from Coronavirus Job Retention Scheme	266	262
Other income	25	57
Total	291	319

5. Education expenditure

	2021 £'000	2020 £'000
Teaching	1,671	1,761
Tutorial	705	692
Admissions	539	567
Research	846	969
Scholarships and awards	1,178	1,243
Other educational facilities	668	691
Total	5,607	5,923

6. Accommodation, catering and conferences expenditure

		2021 £'000	2020 £'000
Accommodation	College members	3,189	2,658
	Conferences (including meeting rooms)	10	373
Catering	College Members and staff	1,707	1,382
	Conferences	12	387
Total		4,918	4,800

7a. Analysis of 2020/ 2021 expenditure by activity

	Staff costs (Note 7) £'000	Other Operating Expenses £'000	Depreciation £'000	2021 Total £'000
Education	2,673	2,289	645	5,607
Accommodation, catering and conferences	2,242	1,046	1,630	4,918
Other	236	2,535	-	2,771
Total	5,151	5,870	2,275	13,296

7b. Analysis of 2019/ 2020 expenditure by activity

	Staff costs (Note 7) £'000	Other Operating Expenses £'000	Depreciation £'000	2020 Total £'000
Education	2,563	2,733	627	5,923
Accommodation, catering and conferences	2,242	972	1,586	4,800
Other	(87)	2,508	-	2,421
Total	4,718	6,213	2,213	13,144

Other expenditure includes fundraising costs of £143k (2020: £168k). This expenditure does not include the costs of alumni relations.

7c. Auditors remuneration

Other operating expenses include:	2021 £'000	2020 £'000
Audit fees payable to the College's external auditors	23	19
Other fees payable to the College's external auditors	-	2
Total	23	21

8. Staff and external teaching costs

	College Fellows 2021 £'000	Academic 2021 £'000	Non Academic 2021 £'000	Total 2021 £'000
Staff and external teaching costs:				
Emoluments	1,226	-	2,682	3,908
External teaching costs	-	180	-	180
Social Security costs	116	-	253	369
Other pension costs	221	-	473	694
Total	1,563	180	3,408	5,151

College Fellows include Academic Emoluments (£963k), Social Security costs (£83k), Other pension costs £172k).

	College Fellows 2020 £'000	Academic 2020 £'000	Non Academic 2020 £'000	Total 2020 £'000
Staff and external teaching costs:				
Emoluments	1,209	-	2,673	3,882
External teaching costs	-	174	-	174
Social Security costs	114	-	239	353
Other pension costs	(72)	-	381	309
Total	1,251	174	3,293	4,718

College Fellows include Academic Emoluments (£946k), Social Security costs (£81k), Other pension costs (£-59k).

Average number of staff:	2021	2020
Academic (Full-time)	21	22
Academic (Part-time)	46	38
Non-academic (Full-time)	61	61
Non-academic (Part-time)	42	97
Total	170	218

The Governing Body comprised 34 Fellows, of which 32 are stipendiary.

The reduction in part-time non-academic staff in 2021 compared to 2020 was due to the impact of the Covid-19 pandemic on the use of casual staff, particularly within the catering department.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. During the year there were 3 (2020: 3) members of the key management team and total remuneration (including pensions and national insurance contributions) and other benefits were £352,000 (2020: £348,000).

8. Staff costs (continued)

Trustees Remuneration

No Trustee is remunerated for being a Trustee.

Trustees are required to make disclosure of potential conflicts of interest at all College Committee meetings. A register of interests for all Trustees is maintained by the College.

The Trustees are remunerated for specific College offices which have associated duties of Teaching, Tutorial, Research, and Administration. The Trustees remuneration is overseen by the Remuneration Committee. This Committee consists of three independent members.

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

From	To	2021 Number	2020 Number
£1	£10,000	10	13
£10,001	£20,000	10	9
£20,001	£30,000	2	2
£30,001	£40,000	1	2
£40,001	£50,000	-	-
£50,001	£60,000	2	2
£60,001	£70,000	-	-
£70,001	£80,000	1	2
£80,001	£90,000	4	3
£90,001	£100,000	-	-
	Total	**30**	**33**

The total Trustee salaries were £820,000 for the year (2020: £848,000). No individual Trustee's salary exceeded £100,000 during the year.

The Trustees were also paid other taxable benefits (including employer contributions to pensions) which totalled £197,000 (2020: £196,000).

The Trustees also received grants from the College towards their research totalling £30,000 (2020: £26,000).

Travel and other business expenses reimbursed by Trustees in their capacity as officers of the College totalled £2,000 (2020: £13,000).

The Trustees are entitled to a daily meal at College expense.

No trustees had loans with the College at the year end.

9. Fixed assets

Group	Land and buildings £'000	Equipment £'000	2021 Total £'000	2020 Total £'000
Cost/valuation				
At beginning of year	128,288	2,721	131,009	128,675
Additions	2,304	255	2,559	2,399
Disposals	-	-		(65)
At end of year	130,592	2,976	133,568	131,009
Accumulated depreciation				
At beginning of year	11,354	933	12,287	10,139
Charge for the year	2,064	211	2,275	2,213
Eliminated on disposals	-	-	-	(65)
At end of year	13,418	1,144	14,562	12,287
Net book value				
At 30 June 2021	117,174	1,832	119,006	118,722
At 1 July 2020	116,934	1,788	118,722	118,536

College	Land and buildings £'000	Equipment £'000	2021 Total £'000	2020 Total £'000
Cost/valuation				
At beginning of year	128,288	2,721	131,009	128,610
Additions	2,304	255	2,559	2,399
At end of year	130,592	2,976	133,568	131,009
Accumulated depreciation				
At beginning of year	11,354	933	12,287	10,074
Charge for the year	2,064	211	2,275	2,213
At end of year	13,418	1,144	14,562	12,287
Net book value				
At 30 June 2021	117,174	1,832	119,006	118,722
At 1 July 2020	116,934	1,788	118,722	118,536

The insured value of freehold land and buildings as at 30 June 2021 was £152m (2020: £140m).
The College has not made any heritage asset acquisitions since 1 August 2014 and, therefore, have not included any heritage assets in the Balance Sheet. Operational assets are those that the College uses in the course of meeting its charitable purposes of education, religion, learning, and research. Once an asset has been classified as an operational asset it is not reclassified as a heritage asset.

10. Investments

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
At beginning of year	**234,915**	**234,365**	**241,927**	**241,230**
Additions	40,061	39,999	11,875	11,795
Disposals	(38,049)	(37,749)	(16,467)	(15,439)
Gain/(loss)	30,661	30,561	(1,844)	(2,645)
Decrease in cash balances held at fund managers	(793)	(793)	(576)	(576)
At end of year	**266,795**	**266,383**	**234,915**	**234,365**

Represented by:	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Property	181,223	180,416	160,404	159,571
Pooled Property Funds	4,184	4,184	4,018	4,018
Quoted securities – securities	80,280	80,280	66,436	66,436
Loans and fixed interest securities	-	-	2,044	2,044
Investment in subsidiary undertakings	-	460	-	460
Cash in hand and at investment mangers	1,043	1,043	1,836	1,836
Other investments	65	-	177	-
	266,795	**266,383**	**234,915**	**234,365**
Analysis of Gain/(loss):				
Gains on investments applied to income	503	391	-	-
Gain/(loss) on investments retained in capital	30,158	30,170	(1,844)	(2,645)
Total gains and losses included in Statement of Comprehensive Income and Expenditure	**30,661**	**30,561**	**(1,844)**	**(2,645)**

Investment assets and endowment assets are managed as a single pool and are both included within the note above.

The investment in subsidiaries represents 100% of the issued share capital of Peterhouse Enterprises Limited ("PEL"), Peterhouse Library Charity Limited ("PLCL") and Peterhouse Conference and Events Limited ("PCEL"). All companies are registered in the United Kingdom.

PEL develops property and holds property for rental. Any taxable revenue surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2021 the company had share capital and reserves totalling £447,127 (2020: £473,327) and the profit after tax (but before deed of covenant) for the year then ended was £132,897 (2020: £810,819).

PLCL, a dormant company, was struck off during the year.

PCEL runs conference and events facilities. Any taxable surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2021 the company had share capital and reserves totalling £-7,919 (2020: £1) and the loss after tax ended was £7,920 (2020: £19,717 the profit after tax (but before deed of covenant)).

The Group has an investment through Manor Farm Stretham LLP in a residential housing development in Cambridgeshire. PEL holds an investment at cost of £65k (2020: £106k) in the LLP. Manor Farm Stretham LLP had borrowed on commercial terms £0k at 30 June 2021 (2020: £2,044k) from the College.

The Group has an investment in a property called Fornham Business Court and this is partially funded by a loan from a third party (see note 15: Other loans).

11. Stocks and work in progress

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Other stocks	439	439	430	430

12. Trade and other receivables

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Members of the College	103	102	111	111
Amount due from subsidiary undertaking	-	416	-	1,180
Other receivables	1,094	1,092	1,053	1,053
Prepayments and accrued income	1,387	1,287	1,571	1,571
Total	2,584	2,897	2,735	3,915

13. Cash and cash equivalents

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Bank deposits	353	30	13,579	12,479
Current accounts	525	512	563	550
Total	878	542	14,142	13,029

14. Creditors: amounts falling due within one year

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Bank overdraft	132	132	166	166
Members of the College	277	277	234	234
Amounts due to subsidiary undertakings	-	17	-	1
Bank loans	-	-	12,000	12,000
University fees	148	148	52	52
Contribution to Colleges Fund	210	210	200	200
Other Creditors (e.g. VAT)	1,511	1,508	1,242	1,236
Accruals and deferred income	803	801	515	510
Total	3,081	3,093	14,409	14,399

Included within creditors due in less than one year for 2020 is the following loan:

£12 million term loan due for repayment by 30/06/2021. The loan bears fixed interest rates of 1.42%.

15. Creditors: amounts falling due after more than one year

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Bank loans	24,000	24,000	24,000	24,000
Other loans	1,887	1,887	1,887	1,887
	25,887	25,887	25,887	25,887

Included within creditors due in more than one year are the following loans and facilities:

£8 million due for repayment by 27/02/2031. The loan bears fixed interest rates of 4.345% on £1 million, 4.415% on £2 million and 4.575% on £5 million.

£16 million due for repayment by 12/11/2057. The loan bears fixed interest rates of 4.970% on £8 million and 5.005% on £8 million.

16. Pension Provisions

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Balance at 1 July 2020	**6,277**	**6,277**	**5,405**	**5,405**
Movement in year:				
Current service cost including life assurance	571	571	208	208
Contributions	(490)	(490)	(487)	(487)
Other finance cost	91	91	121	121
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(952)	(952)	1,030	1,030
Balance at 30 June 2021	5,497	5,497	6,277	6,277

Split as follows:

CCFPS
Pension Provisions

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Balance at 1 July 2020	**5,739**	**5,739**	**4,552**	**4,552**
Movement in year:				
Current service cost including life assurance	321	321	284	284
Contributions	(218)	(218)	(230)	(230)
Other finance cost	84	84	103	103
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(952)	(952)	1,030	1,030
Balance at 30 June 2021	4,974	4,974	5,739	5,739

16. Pension Provisions (continued)

USS
Pension Provisions

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Balance at 1 July 2020	**538**	**538**	**853**	**853**
Movement in year:				
Current service cost including life assurance	250	250	(76)	(76)
Contributions	(272)	(272)	(257)	(257)
Other finance cost	7	7	18	18
Balance at 30 June 2021	**523**	**523**	**538**	**538**

17. Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent Endowments 2021 Base Value £'000	Restricted Permanent Endowments 2021 Unapplied return £'000	Restricted Permanent Endowments 2021 Total £'000	Restricted Permanent Endowments 2020 Total £'000
Group and College				
Balance at beginning of year	16,114	-	16,114	16,526
Increase/(decrease) in market value of investments	-	3,058	3,058	(418)
Investment Income	-	450	450	476
Management charges	-	(28)	(28)	-
Endowment return transferred to other unspent restricted income	-	(562)	(562)	-
Transfer of Income to Permanent and other unspent restricted income	-	-	-	(476)
New donations and endowments	125	-	125	6
Movement in Year	**125**	**2,918**	**3,043**	**(412)**
Balance at end of year	**16,239**	**2,918**	**19,157**	**16,114**

Total return was applied for the first time in the current year. Therefore, there is no comparative base value nor unapplied return.

17. Endowment funds (continued)

	Restricted Permanent Endowments 2021 Base Value £'000	Restricted Permanent Endowments 2021 Unapplied £'000	Restricted Permanent Endowments 2021 Total £'000	Restricted Permanent Endowments 2020 Total £'000
Analysis by type of purpose:				
Research, studentship, scholarship funds	12,949	2,329	15,278	12,862
Student hardship	2,314	413	2,727	2,281
Prizes	421	76	497	421
Travel grants	333	60	393	333
Library fund	69	12	81	65
Garden fund	138	25	163	137
Kelvin fund	15	3	18	15
	16,239	2,918	19,157	16,114
Analysis by asset:				
Investments	16,239	2,918	19,157	16,114

18. Restricted Reserves

Reserves with restrictions for the current year are as follows (full comparatives follow on the next page):

Group and College

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2021 Total £'000	2020 Total £'000
Balance at beginning of year	305	5,886	6,191	6,081
Application of total return on Endowment return transferred	562	-	562	-
Transfers of Income	(430)	430	-	-
Increase/(decrease) in market value of investments	-	122	122	(15)
Investment income	-	18	18	492
Management charges	-	(1)	(1)	-
New grants	-	5	5	2
New donations	-	792	792	661
Expenditure	-	(859)	(859)	(1,030)
Movement in year	**132**	**507**	**639**	**110**
Balance at end of year	**437**	**6,393**	**6,830**	**6,191**

Analysis of other restricted funds/ donations by type of purpose:

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2021 Total £'000	2020 Total £'000
Music	-	87	87	70
Works of art	-	7	7	7
Research, studentship, scholarship funds	258	783	1,041	721
Student hardship	140	251	391	312
Boat club fund	-	478	478	418
Cricket club	-	3	3	3
Prizes	25	16	41	35
Perne library	-	17	17	7
Travel grants	13	41	54	35
Library fund	-	13	13	13
Chapel	-	1,029	1,029	1,028
Lectures	-	48	48	48
Kelvin Fund	1	-	1	-
Buildings fund	-	3,620	3,620	3,494
	437	**6,393**	**6,830**	**6,191**

19. Reconciliation of consolidated surplus for the year to net cash outflow from operating activities

	2021 £'000	2020 £'000
Surplus/(deficit) for the year	29,772	(1,353)
Adjustment for non-cash items:		
Depreciation	2,275	2,213
(Gain)/loss on endowments and investments	(30,661)	1,844
Increase in stock	(9)	(18)
Decrease/(increase) in trade and other receivables	151	(251)
Increase/(decrease) in creditors	706	(9)
Pension costs less contributions payable	172	(158)
Adjustment for investing or financing activities:		
Investment Income	(6,960)	(7,710)
Loan interest payable	1,329	1,337
Net cash outflow from operating activities	(3,225)	(4,105)

20. Cash flows from investing activities

	2021 £'000	2020 £'000
Non-current investment disposal	38,984	17,043
Investment income	6,960	7,710
Endowment funds invested	(40,061)	(11,875)
Payments to acquire tangible fixed assets	(2,559)	(2,399)
Total cash flows from investing activities	3,324	10,479

21. Cash flows from financing activities

	2021 £'000	2020 £'000
Interest paid	(1,329)	(1,337)
New secured loans	-	38
Repayments of amounts borrowed	(12,000)	
Net cash inflow / (outflow) from financing activities	(13,329)	(1,299)

22. Analysis of cash and cash equivalents

	At beginning of year £'000	Cash flows £'000	At end of year £'000
Bank overdraft	(166)	34	(132)
Cash at bank and in hand	14,142	(13,264)	878
Net Funds	**13,976**	**(13,230)**	**746**

23. Pension Schemes

Universities Superannuation Scheme (USS)

The total cost (credited)/ charged to the profit and loss account is £250k (2020: £-76k)

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 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%.

23. Pension Schemes (continued)

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	**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

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College operates a defined benefits plan for the College's employees called 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 % p.a.	30 June 2020 % p.a.
Discount rate	1.80	1.45
Increase in salaries	3.10	2.90
Retail Prices Index (RPI) assumption	3.40	3.10
Consumer Prices Index (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_2019 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_2018 future improvement factors and a long-term future improvement rate of 1.25% p.a., a standard smoothing factor (7.0) and no allowance for additional improvements).

23. Pension Schemes (continued)

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 25.6 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 these calculations.

The amounts recognised in the Balance Sheet as at 30 June 2021 (with comparative figures as at 30 June 2020) are as follows:

	30 June 2021 £'000	**30 June 2020 £'000**
Present value of plan liabilities	(17,950)	(17,975)
Market Value of plan assets	12,976	12,236
Net defined benefit liability	**(4,974)**	**(5,739)**

The amounts to be recognised in Income and Expenditure for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	30 June 2021 £'000	**30 June 2020 £'000**
Current service cost	304	267
Administrative expenses	17	17
Interest on net defined benefit liability	84	103
Total	**405**	**387**

Changes in the present value of the plan liabilities for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	30 June 2021 £'000	**30 June 2020 £'000**
Present value of plan liabilities at beginning of period	17,976	16,024
Current service cost (including Employee contributions)	358	324
Benefits paid	(456)	(449)
Interest on plan liabilities	260	359
Actuarial (gain)/loss	(187)	1,718
Present value of plan liabilities at end of period	**17,951**	**17,976**

23. Pension Schemes (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:

	30 June 2021 £'000	30 June 2020 £'000
Market value of plan assets at beginning of period	12,237	11,471
Contributions paid by the College	218	230
Employee contributions	54	57
Benefits paid	(456)	(449)
Administrative expenses paid	(30)	(29)
Interest on plan assets	176	256
Return on assets, less interest included in Profit & Loss	777	701
Market value of plan assets at end of period	12,976	12,237
Actual return on plan assets	954	957

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 ending 30 June 2020) are as follows:

	2021	2020
Equities	48	49%
Bonds and cash	42	41%
Property	10	10%

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

Analysis of the re-measurement 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 Income and Expenditure	777	701
Expected less actual plan expenses	(13)	(12)
Experience gains and losses arising on plan liabilities	17	(61)
Changes in assumptions underlying the present value of plan liabilities	171	(1,658)
Re-measurement of net defined benefit liability recognised in OCI	952	(1,030)

23. Pension Schemes (continued)

Movement in surplus/ (deficit) during the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2021 £'000	2020 £'000
Surplus deficit in Scheme at beginning of the year	(5,739)	(4,552)
Recognised in Profit and Loss	(405)	(387)
Contributions paid by the College	218	230
Actuarial gain recognised in OCI	952	(1,030)
Surplus deficit in plan at the end of the year	**(4,974)**	**(5,739)**

Funding Policy

Funding 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 funding valuation are different to those adopted under FRS102.

The last such actuarial valuation was as at 31 March 2020. This showed that the 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 were incorporated into the latest Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £44,764 per annum payable for the period to 30 June 2021; and
- Annual contributions of not less than £91,513 per annum payable for the period from 1 July 2021 to 31 March 2030.

These payments are subject to review following the next funding valuation, due as at 31 March 2023.

Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £123k (2020: £101k).

The total pension cost for the College for the year to 30 June 2021 shown in note 8 was as follows:

	2021 £'000	2020 £'000
USS: Charged to Income and Expenditure Account	250	(76)
CCFPS: Charged to Income and Expenditure Account	321	284
CCGPS: Defined Contribution Scheme Employer contributions	123	101
	694	309

24. Capital Commitments

	2021 £'000	2020 £'000
Capital commitment at 30 June 2021 are as follows:		
Authorised and contracted	460	2,624

25. Operating Leases - Lessor

At 30 June 2021 the College had granted non-cancellable operating leases in respect of its freehold investment properties as follows:

	2021 £'000	2020 £'000
Expiring within one year	1,480	1,276
Expiring between two and five years	904	1,670
Expiring in over five years	2,549	2,492
	4,933	5,438

26. Consolidated reconciliation and analysis of net debt

	At 1 July 2020 £'000	Cash Flows £'000	At 30 June 2021 £'000
Cash and cash equivalents	14,142	(13,264)	878
Borrowings-			
Amounts falling due within one year:			
Unsecured bank loans	(12,000)	12,000	-
Bank overdraft	(166)	34	(132)
Borrowings-			
Amounts falling due after more than one year:			
Unsecured bank loans	(24,000)	-	(24,000)
Unsecured other loans	(1,887)	-	(1,887)
Net total debt	**(23,911)**	**(1,230)**	**(25,141)**

27. Related Party Transactions

No disclosure of transactions with Peterhouse Library Charity Limited, Peterhouse Enterprises Limited or Peterhouse Conference and Events Limited has been made as those financial statements at 30 June 2021 have been consolidated within these accounts. Any payments from the College to Trustees appear in note 8 within Trustees Remuneration.

Due to the nature of the College's operations and the composition of its Governing Body, it is inevitable that the College will enter into transactions in the normal course of business with the University of Cambridge, Colleges, Research Councils, other grant-awarding bodies, and other private and public sector organisations in which members of the Governing Body may have an interest. All transactions involving organisations in which members of Governing Body may have such an interest are conducted in accordance with the College's financial regulations and usual procurement procedures, and where material are separately disclosed below.

There are 31 Colleges, each of which is an independent corporation with its own property and income. Each College publishes its own financial statements in a form specified by the University of Cambridge. The College pays levies to support the activity of the Office of Intercollegiate Services (OIS). The OIS is responsible primarily for arranging support services to the 31 colleges of the Collegiate University(Cambridge).

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2021 these fees total £5,981k (2020: £5,669k). During the year the University paid Peterhouse from these fees sums totalling £1,588k (2020: £1,497k) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year Peterhouse made a contribution under Statute GII of £210k (2020: £200k) into the Colleges Fund. The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. Peterhouse administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £120k to this scheme (2020: £113k). In the course of its charitable activities, Peterhouse also pays the University of Cambridge for printing, network and other services. In addition, Peterhouse periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

28. Contingent Liability

Peterhouse has entered into a collaboration agreement with a Cambridgeshire landowner in respect of land that both parties are promoting jointly to look to market and develop and the arrangements in place, signed in 2011, do mean that equalisation payments will flow in future as land is sold to ensure that both parties realise the same value per acre. As a result of likely future land sales in 2022, the collaboration agreement will result in either an asset or liability arising on Peterhouse Group depending on the sales value achieved. The magnitude and timing of cash flows arising from this agreement are impossible to predict at this stage and the effect it will have on the Group.

29. Post balance sheet events

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 £905k in the provision for the obligation to fund the deficit on the USS pension which would instead be £1,428k. 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 £1,783k in the provision for the obligation to fund the deficit on the USS pension which would instead be £2,306k.