

# **PETERHOUSE**

**FOR THE YEAR ENDED  
30 JUNE 2021**

**PETERHOUSE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021**

---

**Contents**

	<b>Page</b>
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.

# **PETERHOUSE OPERATING REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2021**

---

## **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.

## **PETERHOUSE OPERATING REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2021**

---

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](http://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**

	<b>2021</b>	<b>2020</b>
	<b>Total</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>
Total income before donations and endowments*	11,870	12,799
Total expenditure	(13,318)	(13,478)
<b>(Deficit) before donations and USS provision</b>	<b>(1,448)</b>	<b>(679)</b>
USS provision	22	334
<b>(Deficit)/surplus before donations</b>	<b>(1,426)</b>	<b>(345)</b>
Donations	915	830
New endowments	125	6
<b>(Deficit)/surplus before other gains and losses</b>	<b>(386)</b>	<b>491</b>
Gain/(loss) on investments retained in capital	30,158	(1,844)
<b>Surplus/(deficit) for the year</b>	<b>29,772</b>	<b>(1,353)</b>

\* includes gains on investments applied to income



## **PETERHOUSE FINANCIAL REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2021**

---

### **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.

**PETERHOUSE  
FINANCIAL REVIEW CONTINUED  
FOR THE YEAR ENDED 30 JUNE 2021**

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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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
<b>Total Investments</b>	<b>263,511</b>	<b>245,382</b>
Loans	(25,887)	(37,887)
<b>Net Endowment Assets</b>	<b>237,624</b>	<b>207,495</b>

<b>Endowment return and investment income</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Income from:		
Land and buildings	4,877	5,222
Pooled property funds	178	220
Equities	1,839	2,058
Other interest receivable	66	210
<b>Total income</b>	<b>6,960</b>	<b>7,710</b>
Equities management costs	(127)	(118)
Direct costs of property management, agency fees and maintenance	(606)	(511)
<b>Net income before financing costs</b>	<b>6,227</b>	<b>7,081</b>
Interest and finance costs	(1,329)	(1,332)
<b>Total net income after financing costs</b>	<b>4,898</b>	<b>5,749</b>
Capital gains on investments (realised and unrealised)	30,661	(1,844)
<b>Total return for Net Endowment</b>	<b>35,559</b>	<b>3,905</b>

## **PETERHOUSE FINANCIAL REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2021**

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.

## **PETERHOUSE FINANCIAL REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2021**

---

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-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.

**PETERHOUSE**  
**CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL**  
**FOR THE YEAR ENDED 30 JUNE 2021**

---

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.

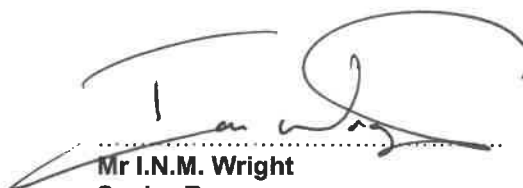
The Governing Body is responsible for keeping accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Statutes of the University of Cambridge. They are also responsible for safeguarding 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**

# **INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE FOR THE YEAR ENDED 30 JUNE 2021**

---

## **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



# **INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE (continued) FOR THE YEAR ENDED 30 JUNE 2021**

---

## **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:

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE  
(continued)  
FOR THE YEAR ENDED 30 JUNE 2021**

---

- 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.

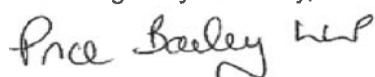
- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the Governing Body.

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**

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.

**PETERHOUSE  
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2021**

---

**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.

**PETERHOUSE  
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2021**

---

**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.

**PETERHOUSE**  
**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES**  
**FOR THE YEAR ENDED 30 JUNE 2021**

---

**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.

**PETERHOUSE  
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2021**

---

**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.

**PETERHOUSE  
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2021**

---

**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.



**PETETHOUSE  
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES  
FOR THE YEAR ENDED 30 JUNE 2021**

---

**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
<b>Total income before donations and endowments</b>		<b>10,894</b>	<b>585</b>	<b>(112)</b>	<b>11,367</b>	<b>12,305</b>	<b>494</b>	<b>-</b>	<b>12,799</b>
Donations		123	792	-	915	169	661	-	830
New endowments		-	-	125	125	-	-	6	6
<b>Total income</b>	<b>13</b>	<b>11,017</b>	<b>1,377</b>	<b>13</b>	<b>12,407</b>	<b>12,474</b>	<b>1,155</b>	<b>6</b>	<b>13,635</b>
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
<b>Total expenditure</b>	<b>7</b>	<b>12,408</b>	<b>860</b>	<b>28</b>	<b>13,296</b>	<b>12,114</b>	<b>1,030</b>	<b>-</b>	<b>13,144</b>
<b>(Deficit)/Surplus before other gains and losses</b>		<b>(1,391)</b>	<b>517</b>	<b>(15)</b>	<b>(889)</b>	<b>360</b>	<b>125</b>	<b>6</b>	<b>491</b>
Gains on investments applied to income	10	386	5	112	503	-	-	-	-
<b>(Deficit)/surplus after other gains and losses applied to income</b>		<b>(1,005)</b>	<b>522</b>	<b>97</b>	<b>(386)</b>	<b>360</b>	<b>125</b>	<b>6</b>	<b>491</b>
Gain/(loss) on investments	10	27,095	117	2,946	30,158	(1,411)	(15)	(418)	(1,844)
<b>Surplus/(deficit)/for the year</b>		<b>26,090</b>	<b>639</b>	<b>3,043</b>	<b>29,772</b>	<b>(1,051)</b>	<b>110</b>	<b>(412)</b>	<b>(1,353)</b>
Other comprehensive income									
Miscellaneous capital receipts and payments		142	-	-	142	-	-	-	-
Actuarial loss in respect of pension schemes	16	952	-	-	952	(1,030)	-	-	(1,030)
<b>Total comprehensive income for the year</b>		<b>27,184</b>	<b>639</b>	<b>3,043</b>	<b>30,866</b>	<b>(2,081)</b>	<b>110</b>	<b>(412)</b>	<b>(2,383)</b>

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**

<b>Consolidated</b>	<b>Income and expenditure reserve</b>			
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 July 2019</b>	<b>304,147</b>	<b>6,081</b>	<b>16,526</b>	<b>326,754</b>
Surplus/(deficit) from income and expenditure statement	(1,051)	110	(412)	(1,353)
Other comprehensive income	(1,030)	-	-	(1,030)
<b>Balance at 30 June 2020</b>	<b>302,066</b>	<b>6,191</b>	<b>16,114</b>	<b>324,371</b>

<b>Consolidated</b>	<b>Income and expenditure reserve</b>			
	<b>Unrestricted</b>	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 July 2020</b>	<b>302,066</b>	<b>6,191</b>	<b>16,114</b>	<b>324,371</b>
Surplus from income and expenditure statement	26,090	639	3,043	29,772
Other comprehensive income	1,094	-	-	1,094
<b>Balance at 30 June 2021</b>	<b>329,250</b>	<b>6,830</b>	<b>19,157</b>	<b>355,237</b>

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

**PETERHOUSE**  
**CONSOLIDATED AND COLLEGE BALANCE SHEET**  
**AS AT 30 JUNE 2021**

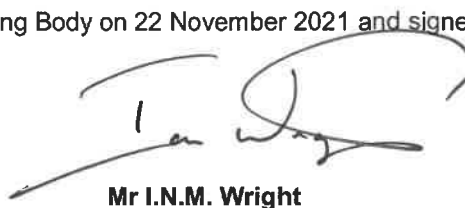
	Note	2021 Consolidated £'000	2021 College £'000	2020 Consolidated £'000	2020 College £'000
<b>Non-current Assets</b>					
Fixed assets	9	119,006	119,006	118,722	118,722
Investments	10	266,795	266,383	234,915	234,365
		<b>385,801</b>	<b>385,389</b>	<b>353,637</b>	<b>353,087</b>
<b>Current assets</b>					
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
		<b>3,901</b>	<b>3,878</b>	<b>17,307</b>	<b>17,374</b>
<b>Creditors: amounts falling due within one year</b>	14	(3,081)	(3,093)	(14,409)	(14,399)
<b>Net current assets</b>		<b>820</b>	<b>785</b>	<b>2,898</b>	<b>2,975</b>
<b>Total Assets less current liabilities</b>		<b>386,621</b>	<b>386,174</b>	<b>356,535</b>	<b>356,062</b>
<b>Creditors: amounts falling due after more than one year</b>	15	(25,887)	(25,887)	(25,887)	(25,887)
<b>Provisions</b>					
Pension provisions	16	(5,497)	(5,497)	(6,277)	(6,277)
<b>Total net assets</b>		<b>355,237</b>	<b>354,790</b>	<b>324,371</b>	<b>323,898</b>
<b>Restricted reserves</b>					
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
<b>Total Restricted reserves</b>		<b>25,987</b>	<b>25,987</b>	<b>22,305</b>	<b>22,305</b>
<b>Unrestricted Reserves</b>					
Income and expenditure reserve – unrestricted		329,250	328,803	302,066	301,593
<b>Total Reserves</b>		<b>355,237</b>	<b>354,790</b>	<b>324,371</b>	<b>323,898</b>

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**

	<b>Note</b>	<b>2021 £'000</b>	<b>2020 £'000</b>
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)
<b>(Decrease)/increase in cash and cash equivalents in the year</b>		<b>(13,230)</b>	<b>5,075</b>
Cash and cash equivalents at beginning of the year		13,976	8,901
<b>Cash and cash equivalents at end of the year</b>	<b>22</b>	<b>746</b>	<b>13,976</b>

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

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**1. Academic fees and charges**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>College Fees</b>		
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
	<u>2,383</u>	<u>2,223</u>

**2. Income from accommodation, catering and conferences**

		<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
Accommodation	College members	1,587	1,489
	Conferences	-	361
Catering	College members	146	364
	Conferences	-	333
Total		<u>1,733</u>	<u>2,547</u>

**3. Total return and investment income**

**3a. Analysis**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Income from:</b>		
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	<u>6,960</u>	<u>7,710</u>

**Total endowment return applied to income**

	<b>562</b>	<b>-</b>
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)	
	<u>6,960</u>	<u>7,710</u>

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**3b. Summary of total return**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Income from:</b>		
Quoted Pooled Property Funds	16	-
Quoted Securities	434	-
	<u>450</u>	<u>-</u>
<b>Gains/(losses) on investment assets:</b>		
Quoted Securities and Pooled Property Funds	3,058	-
Investment management costs	(28)	-
<b>Total return for year</b>	<u>3,480</u>	<u>-</u>
Total return transferred to income and expenditure reserve (see note 17)	(562)	-
<b>Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 17)</b>	<u>2,918</u>	<u>-</u>

**3.c Investment management costs**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Land and buildings	155	135
Quoted securities – equities	127	118
<b>Total</b>	<u>282</u>	<u>253</u>

**4. Other Income**

	<b>2021 £'000</b>	<b>2020 £'000</b>
Income from Coronavirus Job Retention Scheme	266	262
Other income	25	57
<b>Total</b>	<u>291</u>	<u>319</u>

**5. Education expenditure**

	<b>2021 £'000</b>	<b>2020 £'000</b>
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
<b>Total</b>	<u>5,607</u>	<u>5,923</u>

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**6. Accommodation, catering and conferences expenditure**

		<b>2021 £'000</b>	<b>2020 £'000</b>
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
<b>Total</b>		<b>4,918</b>	<b>4,800</b>

**7a. Analysis of 2020/ 2021 expenditure by activity**

	<b>Staff costs (Note 7) £'000</b>	<b>Other Operating Expenses £'000</b>	<b>Depreciation £'000</b>	<b>2021 Total £'000</b>
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
<b>Total</b>	<b>5,151</b>	<b>5,870</b>	<b>2,275</b>	<b>13,296</b>

**7b. Analysis of 2019/ 2020 expenditure by activity**

	<b>Staff costs (Note 7) £'000</b>	<b>Other Operating Expenses £'000</b>	<b>Depreciation £'000</b>	<b>2020 Total £'000</b>
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
<b>Total</b>	<b>4,718</b>	<b>6,213</b>	<b>2,213</b>	<b>13,144</b>

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:	<b>2021 £'000</b>	<b>2020 £'000</b>
Audit fees payable to the College's external auditors	23	19
Other fees payable to the College's external auditors	-	2
<b>Total</b>	<b>23</b>	<b>21</b>



## PETERHOUSE

### NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2021

#### 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).

	2021	2020
Average number of staff:		
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).

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

---

**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	-	-
	<b>Total</b>	<b>30</b>	<b>33</b>

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.

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**9. Fixed assets**

<b>Group</b>	<b>Land and buildings £'000</b>	<b>Equipment £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
<b>Cost/valuation</b>				
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
<b>Accumulated depreciation</b>				
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
<b>Net book value</b>				
At 30 June 2021	117,174	1,832	119,006	118,722
At 1 July 2020	116,934	1,788	118,722	118,536
<b>College</b>	<b>Land and buildings £'000</b>	<b>Equipment £'000</b>	<b>2021 Total £'000</b>	<b>2020 Total £'000</b>
<b>Cost/valuation</b>				
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
<b>Accumulated depreciation</b>				
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
<b>Net book value</b>				
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.

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**10. Investments**

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>At beginning of year</b>	<b>234,915</b>	<b>234,365</b>	<b>241,927</b>	<b>241,230</b>
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)
<b>At end of year</b>	<b>266,795</b>	<b>266,383</b>	<b>234,915</b>	<b>234,365</b>

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Represented by:</b>				
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 managers	1,043	1,043	1,836	1,836
Other investments	65	-	177	-
	<b>266,795</b>	<b>266,383</b>	<b>234,915</b>	<b>234,365</b>

**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)
<b>Total gains and losses included in Statement of Comprehensive Income and Expenditure</b>	<b>30,661</b>	<b>30,561</b>	<b>(1,844)</b>	<b>(2,645)</b>

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).

**PETERHOUSE****NOTES TO THE ACCOUNTS (CONTINUED)****FOR THE YEAR ENDED 30 JUNE 2021****11. Stocks and work in progress**

	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>College 2020 £'000</b>
Other stocks	439	439	430	430

**12. Trade and other receivables**

	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>College 2020 £'000</b>
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
<b>Total</b>	<b>2,584</b>	<b>2,897</b>	<b>2,735</b>	<b>3,915</b>

**13. Cash and cash equivalents**

	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>College 2020 £'000</b>
Bank deposits	353	30	13,579	12,479
Current accounts	525	512	563	550
<b>Total</b>	<b>878</b>	<b>542</b>	<b>14,142</b>	<b>13,029</b>

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

	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>College 2020 £'000</b>
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
<b>Total</b>	<b>3,081</b>	<b>3,093</b>	<b>14,409</b>	<b>14,399</b>

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%.

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>College 2020 £'000</b>
Bank loans	24,000	24,000	24,000	24,000
Other loans	1,887	1,887	1,887	1,887
	<u>25,887</u>	<u>25,887</u>	<u>25,887</u>	<u>25,887</u>

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**

	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>College 2020 £'000</b>
<b>Balance at 1 July 2020</b>	<b>6,277</b>	<b>6,277</b>	<b>5,405</b>	<b>5,405</b>
<b>Movement in year:</b>				
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
<b>Balance at 30 June 2021</b>	<b>5,497</b>	<b>5,497</b>	<b>6,277</b>	<b>6,277</b>

**Split as follows:**

**CCFPS**

**Pension Provisions**

	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>College 2020 £'000</b>
<b>Balance at 1 July 2020</b>	<b>5,739</b>	<b>5,739</b>	<b>4,552</b>	<b>4,552</b>
<b>Movement in year:</b>				
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
<b>Balance at 30 June 2021</b>	<b>4,974</b>	<b>4,974</b>	<b>5,739</b>	<b>5,739</b>

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**16. Pension Provisions (continued)**

**USS**

**Pension Provisions**

	<b>Group 2021 £'000</b>	<b>College 2021 £'000</b>	<b>Group 2020 £'000</b>	<b>College 2020 £'000</b>
<b>Balance at 1 July 2020</b>	<b>538</b>	<b>538</b>	<b>853</b>	<b>853</b>
<b>Movement in year:</b>				
Current service cost including life assurance	250	250	(76)	(76)
Contributions	(272)	(272)	(257)	(257)
Other finance cost	7	7	18	18
<b>Balance at 30 June 2021</b>	<b>523</b>	<b>523</b>	<b>538</b>	<b>538</b>

**17. Endowment funds**

Restricted net assets relating to endowments are as follows:

	<b>Restricted Permanent Endowments 2021 Base Value £'000</b>	<b>Restricted Permanent Endowments 2021 Unapplied return £'000</b>	<b>Restricted Permanent Endowments 2021 Total £'000</b>	<b>Restricted Permanent Endowments 2020 Total £'000</b>
<b>Group and College</b>				
<b>Balance at beginning of year</b>	<b>16,114</b>	<b>-</b>	<b>16,114</b>	<b>16,526</b>
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
<b>Movement in Year</b>	<b>125</b>	<b>2,918</b>	<b>3,043</b>	<b>(412)</b>
<b>Balance at end of year</b>	<b>16,239</b>	<b>2,918</b>	<b>19,157</b>	<b>16,114</b>

Total return was applied for the first time in the current year. Therefore, there is no comparative base value nor unapplied return.

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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
<b>Analysis by type of purpose:</b>				
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
	<u>16,239</u>	<u>2,918</u>	<u>19,157</u>	<u>16,114</u>
<b>Analysis by asset:</b>				
Investments	<u>16,239</u>	<u>2,918</u>	<u>19,157</u>	<u>16,114</u>

**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
<b>Balance at beginning of year</b>	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)
<b>Movement in year</b>	<u>132</u>	<u>507</u>	<u>639</u>	<u>110</u>
<b>Balance at end of year</b>	<u>437</u>	<u>6,393</u>	<u>6,830</u>	<u>6,191</u>



# PETERHOUSE

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 JUNE 2021

#### 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
	<b>437</b>	<b>6,393</b>	<b>6,830</b>	<b>6,191</b>

#### 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)
<b>Adjustment for non-cash items:</b>		
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)
<b>Adjustment for investing or financing activities:</b>		
Investment Income	(6,960)	(7,710)
Loan interest payable	1,329	1,337
<b>Net cash outflow from operating activities</b>	<b>(3,225)</b>	<b>(4,105)</b>

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**20. Cash flows from investing activities**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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)
<b>Total cash flows from investing activities</b>	<b>3,324</b>	<b>10,479</b>

**21. Cash flows from financing activities**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Interest paid	(1,329)	(1,337)
New secured loans	-	38
Repayments of amounts borrowed	(12,000)	
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(13,329)</b>	<b>(1,299)</b>

**22. Analysis of cash and cash equivalents**

	<b>At beginning of year £'000</b>	<b>Cash flows £'000</b>	<b>At end of year £'000</b>
Bank overdraft	(166)	34	(132)
Cash at bank and in hand	14,142	(13,264)	878
<b>Net Funds</b>	<b>13,976</b>	<b>(13,230)</b>	<b>746</b>

**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%.

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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:

	<b>30 June 2021</b>	<b>30 June 2020</b>
	<b>% p.a.</b>	<b>% p.a.</b>
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).

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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
<b>Net defined benefit liability</b>	<b>(4,974)</b>	<b>(5,739)</b>

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
<b>Total</b>	<b>405</b>	<b>387</b>

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
<b>Present value of plan liabilities at end of period</b>	<b>17,951</b>	<b>17,976</b>

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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:

	<b>30 June 2021 £'000</b>	<b>30 June 2020 £'000</b>
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
<b>Market value of plan assets at end of period</b>	<b>12,976</b>	<b>12,237</b>
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:

	<b>2021</b>	<b>2020</b>
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:

	<b>2021 £'000</b>	<b>2020 £'000</b>
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)
<b>Re-measurement of net defined benefit liability recognised in OCI</b>	<b>952</b>	<b>(1,030)</b>

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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)
<b>Surplus deficit in plan at the end of the year</b>	<b>(4,974)</b>	<b>(5,739)</b>

**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:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
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
	<b>694</b>	<b>309</b>

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**24. Capital Commitments**

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
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:

	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
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
	<u>4,933</u>	<u>5,438</u>

**26. Consolidated reconciliation and analysis of net debt**

	<b>At 1 July</b> <b>2020</b> <b>£'000</b>	<b>Cash</b> <b>Flows</b> <b>£'000</b>	<b>At 30 June</b> <b>2021</b> <b>£'000</b>
Cash and cash equivalents	14,142	(13,264)	878
<b>Borrowings-</b>			
<b>Amounts falling due within one year:</b>			
Unsecured bank loans	(12,000)	12,000	-
Bank overdraft	(166)	34	(132)
<b>Borrowings-</b>			
<b>Amounts falling due after more than one year:</b>			
Unsecured bank loans	(24,000)	-	(24,000)
Unsecured other loans	(1,887)	-	(1,887)
<b>Net total debt</b>	<u>(23,911)</u>	<u>(1,230)</u>	<u>(25,141)</u>

**PETERHOUSE**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2021**

---

**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.