

PETERHOUSE

FOR THE YEAR ENDED

30 JUNE 2022

**PETERHOUSE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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

Address

Peterhouse
Trumpington Street
Cambridge
CB2 1TP

Charity Registration number: 1137457

Members of the Governing Body who served during the year

Ms B Kendall MBE (Master)

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

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

Current Senior Administrative Officers

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

Principal Legal Advisers

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

Property Managers

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Knight Frank LLP
20 Hanover Square
London
W1S 1HZ

Fund Managers / Investment Advisors

Cantab Asset Management Ltd
50 Station Road
Cambridge
CB1 2JH

Auditors

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

Bankers

Barclays Bank PLC
Cambridge Business Centre
Cambridge
CB2 3PZ

Tax Advisor

PEM
Salisbury House,
Station Road
Cambridge
CB1 2LA

PETERHOUSE OPERATING REVIEW FOR THE YEAR ENDED 30 JUNE 2022

Introduction

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

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

Scope of the Financial Statements

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

About the College

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

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

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

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

The Visitor of the College is the Bishop of Ely.

Aims and objectives of the College

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

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

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

**PETERHOUSE
OPERATING REVIEW CONTINUED
FOR THE YEAR ENDED 30 JUNE 2022**

Public benefit

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

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

Funding

The sources of income of Peterhouse are:

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

Achievements and performance

Education

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

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

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

PETERHOUSE OPERATING REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2022

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

75 (2021: 72) undergraduates – some 32.1% of those potentially eligible – received means-tested awards totalling £226k (2021: 240k) under the centralised Cambridge Bursary Scheme, with 39 (2021: 49) of the awards at the maximum value; the scheme is intended to ensure that no UK or EU student should be deterred from applying to Cambridge because of financial considerations; the Tutors deployed a further £177k (2021: £151k) to make loans and grants to support undergraduates facing particular financial hardship; scholarships and prizes worth some £65k (2021: £44k) were awarded by the Governing Body to recognise and reward excellence and achievement, while grants for travel were limited by the Covid pandemic to £45k (2021: £2k). Grants to support student wellbeing were also awarded £8k (2021: £30k).

The College made grants totalling £78k (2021: £51k) to its official student bodies, the Sexcentenary Club (JCR) and Graduate Society to enable them to provide social and sporting support to their members.

The Ward Library added a further 1,519 (2021: 715) volumes during the year, on the recommendation of both Fellows and students and as a result of generous gifts; the project to update the catalogue of the College's rare book collections continued; and the College expanded its Library e-services. Further improvements to facilities and accommodation were made: a full refurbishment providing new accommodation in 39-40 Trumpington Street was progressed; a programme of small bespoke works to improve kitchens and bathrooms in a number of listed properties continued; and the refurbishment of the Brewhouse was completed. The Brewhouse provides music practice rooms and a unique small performance venue for the College's musical events and choir.

Research

Two Research Fellows specialising in Urban Studies, and Applied Mathematics were appointed through the annual competition, for an initial three year term. This took the total number of Research Fellows to nine (2020: 10); these Fellowships enable outstanding academics at the early stages of their careers to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.

Covid extensions were granted to 7 existing holders of Research Studentships (2021: 8). On the recommendation of the Research Studentships Committee a further 3 (2021: 9) Research Studentships were awarded to graduate students on the basis of merit to cover their academic fees and maintenance expenses, bringing the total to 24 (2020: 31) and the annual cost of the scheme to £477k (2021: £722k). The Tutors made other grants and awards totalling £99k (2020: £34k) to graduate students in order to offset research and maintenance expenses.

Research allowances totalling £45k (2021: £39k) were provided in support of Fellows' research activities. 4 Bye-Fellow (one in Modern Languages, one in Clinical Medicine, and two in Law), 2 Visiting Fellows (one in History, and one in Physics), and three Senior Research Associates (one in Philosophy, one in Medicine, and one in Biological Physics), were appointed for varying terms. One Research Associateship was also granted to a post-doctoral worker at the University

Religion

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

The College continued the further refurbishment of the Chapel, which included improvements to the lighting, restoration of the stained glass, and the ongoing refurbishment of the organ.

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

**PETERHOUSE
FINANCIAL REVIEW
FOR THE YEAR ENDED 30 JUNE 2022**

The financial statements for the year to 30 June 2022 have been prepared in accordance with using the Recommended Cambridge College Accounts (RCCA) format and the external auditors' opinion is unqualified. The College's two wholly-owned subsidiaries have all been consolidated. The two subsidiaries are: Peterhouse Enterprises Limited (PEL), which is engaged in property development, and Peterhouse Conferences and Events Limited, which manages certain Catering and Conference activities undertaken by the College in order to raise funds to further its charitable aims.

The College seeks to run the operating income and expenditure account at breakeven over the long term whilst gradually growing spend on its charitable activities. To this end the College has continued to seek to expand and to invest in the range of services it offers to all its students and research community. However, while the Covid-19 pandemic continues to cast its shadow over the College's finances, the war in Ukraine and subsequent energy shock has created a period of further challenge and uncertainty. These factors have impacted on the finances of the College and the wider University sector and will continue to do so. In addition to these issues, the College is mindful of the longer-term challenge of global warming and the "climate emergency". The College continues to address these challenges by: seeking to minimise energy costs and by investing in energy efficient and low carbon technologies (subject to listing constraints); and by seeking the most effective and efficient way of delivering services, which often involves appropriate use of digital technologies.

The College remains committed to maintaining, preserving and enhancing the historic buildings that underpin its charitable objectives and enrich its community. To this end, the College has carried out a number of substantial projects during the year. These include the re-on-going refurbishment and restoration of the Organ and Chapel, a programme of small works to improve kitchens and bathrooms in undergraduate accommodation significant works at the Brewhouse (which expands the musical facilities available to members of the College) and the refurbishment project at 39-40 Trumpington Street (which will improve the stock of student accommodation).

This year the College showed an overall underlying accounting deficit before donations of £992k. This is an improvement of £456k on the previous year. Third-party Conference and Event activity remained at very low levels because the College has been cautious in restarting certain activities until the pandemic is more clearly over. After adjusting for a (£668k) movement on the USS pension liability, this overall deficit grew to £1,660k.

The underlying deficit before donations partly reflects the fact that a number of initiatives are now being directly funded by gifts and donations. After adjusting for donations, the College showed a deficit of £703k.

Simplified Income and Expenditure	2022	2021
	Total	Total
	£'000	£'000
Total income before donations and endowments*	12,977	11,870
Total expenditure	(13,969)	(13,318)
(Deficit) before donations and USS provision	(992)	(1,448)
USS provision	(668)	22
(Deficit)/Surplus before donations	(1,660)	(1,426)
Donations	949	915
New endowments	8	125
Surplus before other gains and losses	(703)	(386)
Gains on investments and assets	(3,071)	30,158
Deficit for the year	(3,774)	29,772

* includes gains on investments applied to income

**PETERHOUSE
FINANCIAL REVIEW CONTINUED
FOR THE YEAR ENDED 30 JUNE 2022**

Income/Expenditure

Income from Academic Fees and Charges fell by 0.8% (2021: 7.2% decrease) on the prior year reflecting a fall in the number of home fee-paying undergraduates, partially offset by increases in graduate and overseas undergraduate fee rates. Income from Accommodation, Catering and Conferences rose by 57.5% on the prior year (2021: 32.0% decrease). The physical absence of students in Lent Term 2021 reduced income from room rents and College catering in the 2020/ 21 financial year; in contrast, this year the presence of students for the whole year and greater interaction has seen a significant rise in room and catering income. Although there was a modest amount of Conference and Event Income (2022: £130k; 2021: £0k), this still does not compare to pre-pandemic levels (2020: £760k). Endowment income rose slightly (6.0%); this was driven by the strong performance of the property portfolio which improved as a result of the ending of certain Covid related rent concessions, some significant uplifts on certain lease renewals and some back rents which had been held over from the previous year. Other income fell reflecting the withdrawal of the of the Government's Coronavirus Job Retention Scheme. Overall total College income after donations and endowments rose by £1,210k or 10.8% (2021: £1,228k; 9.0% decrease).

The College's total expenditure rose by £1,341k or 10.1% (2021: £152; 1.0% increase). However, if the effects of the release of USS provisions (£677k) are excluded, then there was an increase of £677k or 5.0%. The most significant factor was the increase in activity as the effects of the pandemic started to subside.

Total depreciation rose by £59k (2021: £62k) because of the additional capitalised expenditure discussed below.

Staff costs and pensions

Total staff costs (academic and non-academic excluding the USS adjustment of £0.7m) remain the most significant expense for the College at £5.4m (2021: £5.2m). Staff costs excluding actuarial adjustments to the pension schemes under FRS102 increased by £186k or 3.6% (2021: £99k or 2.0%). This reflected: the cost of living increase for the year; the return of casual staff and recruitment to a modest number of unfilled posts as more normal activity levels resumed; the increase in USS pension and national insurance contribution rates; and the College's continued commitment to paying its staff at least in line with the Real Living Wage.

The staff CCFPS pension scheme still remains significantly in deficit (under FRS102) in 2022, although the deficit decreased by £3,212k (2021: decreased by £765k). The changes in actuarial assumptions underlying the plan liabilities are the key driver of the decrease in the deficit; these were driven by changes to the discount rate and inflation rate applied to the scheme's liabilities. This scheme is closed to new entrants.

The College includes a share of the USS Scheme's current deficit. Under FRS102 the College is obliged to account for it under money purchase scheme rules, although it is a multi-employer defined benefit scheme. As discussed above, the recent changes to the recovery plan following the latest revaluation has resulted in a £677k debit (2021: £22k credit) being recognised in Income and Expenditure statement; this largely relates to the recognition of future payments by the College that are expected under the recovery plan. Details of this scheme and the CCFPS scheme are included in notes 15 and 22.

Overall the pension scheme liabilities measured under FRS102 have decreased by 45.4% from £5.5m to £3.0m (2021: decreased by 12.6% from £6.3m to £5.5m).

Capital expenditure

The College continued work on the refurbishment of the Chapel which focussed on renovating the organ, an improved lighting scheme, and the resoration of the stained glass. Other refurbishment works (£1.1m) were carried out on 39-40 Trumpington Street; this will upgrade and expand the existing student room stock. The College completed its refurbishment of the Brewhouse (£0.7m) which has expanded the music facilities available to members of the College.

PETERHOUSE
FINANCIAL REVIEW CONTINUED
FOR THE YEAR ENDED 30 JUNE 2022

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

The College continues to invest in its IT infrastructure and software; during the year the College continued the development of its new accommodation and conference database system. The new database will not only help to meet the requirements of GDPR legislation, but will also improve the College's ability to manage its room stock efficiently.

Endowment and investment performance

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

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

	2022	2021
	£'000	£'000
Property	187,344	181,223
Pooled property funds	4,852	4,184
Equities	56,144	80,280
Cash, loans and fixed interest securities	773	-
Cash in hand and at investment managers	12,884	1,043
Other Cash (owed by)/held for the Endowment	(1,038)	(3,284)
Other investments	65	65
Total Investments	261,024	263,511
Loans	(25,887)	(25,887)
Net Endowment Assets	235,137	237,624

Endowment return and investment income	2022	2021
	£'000	£'000
Income from:		
Land and buildings	5,173	4,877
Pooled property funds	200	178
Equities	2,004	1,839
Other interest receivable	13	66
Total income	7,390	6,960
Equities management costs	(190)	(127)
Direct costs of property management, agency fees and maintenance	(528)	(606)
Net income before financing costs	6,672	6,227
Interest and finance costs	(1,163)	(1,329)
Total net income after financing costs	5,509	4,898
Capital gains on investments (realised and unrealised)	(2,754)	30,661
Total return for Net Endowment	2,755	35,559

PETERHOUSE FINANCIAL REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2022

Last financial year, for the first time, the College adopted a total return accounting policy for its equities and marketable securities portfolio.

After last year's spectacular capital growth, market sentiment was changed by the economic turbulence the Ukraine War and subsequent energy shock; this saw the Equity portfolio fall back in value.

The College reviewed its fund management arrangements during the year with advice from Cantab Asset Management. As a result of this review, it took the decision to move its fund custody of the equities and marketable securities portfolio from a platform operated by Credit Suisse to a platform operated and managed by AJ Bell. At the same time, a decision was made to replace Credit Suisse as the discretionary manager of part of the portfolio.

Reserves

Peterhouse's unrestricted funds at the year-end amounted to £331.8m (2021: £329.3m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. The Governing Body believes that reserves on this scale are necessary for the College to meet its charitable objectives and that they provide the stability for the institution to operate in perpetuity. The Governing Body is mindful to maintain an equitable balance between the interests of current members of the College and future generations.

Risk Management

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

Fundraising

The existence and success of Peterhouse is a reflection of the outstanding generosity over time of Petreans and other benefactors. The College's development campaign continued to make a valuable contribution over the year, with donations and legacies of £1.0m (2021: £1.0m). Of these £8k was raised for permanent endowments (2021: £125k). The combined net costs of fundraising and member relations was £313k (2021: £247k).

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

Principal risks and uncertainties

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

**PETERHOUSE
FINANCIAL REVIEW CONTINUED
FOR THE YEAR ENDED 30 JUNE 2022**

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

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

The recent pandemic, the Ukraine war and subsequent inflationary energy shock has made the political, economic and educational landscape increasingly uncertain. Operating costs and particularly energy costs have been subject to considerable inflationary pressures. These pressures are expected to continue into the next financial year at least.

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

Plans for the future

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

- Recovery from the Covid-19 pandemic and navigating the current economic turbulence;
- The further development of pastoral resources to promote and support student well-being;
- Continued support of its Research Fellowship and Research Studentship scheme to offer financial support for the most talented early-career academics and graduate students;
- Increasing the College's Admissions and Outreach initiatives to attract outstanding applicants for undergraduate and graduate courses from a diverse range of educational, social and cultural backgrounds.

PETERHOUSE
CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 30 JUNE 2022

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number No. 1137457) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Trustees are Governing Body which is advised in carrying out its duties by a number of Committees.
 - a. Governance Committee
 - b. Remuneration and Benefits Committee
 - c. Finance Committee
 - d. Estates and Investments Committee
 - e. Development Committee
 - f. Education Committee
 - g. Admissions Committee
 - h. Examination Failures Committee
 - i. Grants Committee
 - j. Honorary & Visiting Fellowships Committee
 - k. Research Studentships Committee
 - l. Research Fellowships Committee
 - m. Travel Grants Committee
 - n. Charitable Applications Committee
 - o. Co-Ordinating Committee
 - p. Peterhouse Boat Club Fund Management Committee
 - q. Staff Committee
 - r. Food and Wine Committee
 - s. Buildings, Fabric and Gardens Committee
 - t. IT Committee
4. The principal administrative Officers of the College are the Master, the Senior Bursar, and the Senior Tutor.
5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal systems of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Finance Committee includes: The Chairman (a Fellow of the College), Senior Tutor, Senior Bursar and several other Fellows of the College.
6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are routinely made at all College committee meetings.
7. The College's Trustees (Members of the Governing Body) during the year ended 30 June 2021 are set out on page 2.
8. The Trustees are the Governing Body which is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.
9. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
10. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2021 and up to the date of approval of the financial statements.

**PETERHOUSE
CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED 30 JUNE 2022**

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

- a. The Governing Body meets regularly (typically 13 times) throughout the year to consider the plans and strategic direction of the College; it also reviews and approves the annual financial results and budget.
 - b. The Governing Body receives interim reports from the Finance Committee which reviews key financial information and statistics on an ongoing basis, including quarterly progress against budget.
 - c. A Committee Structure has been put in place to review key areas of College activity.
 - d. Appropriate levels of segregation of duties have been established together with authority limits. These are reviewed periodically.
 - e. Two Fellows (not already on the Finance Committee) review and audit the College accounts in detail, and provide an independent report on their findings to the Governing Body.
 - f. A Project Accountant has been employed to review and improve the internal systems and controls.
11. A Fellow on the Governing Body has been designated SIRO (Senior Information Risk Officer) and is responsible for reporting to Governing Body on data protection and information risk issues.
12. The Governing Body's review of the effectiveness of the system of internal control is informed by the work of various Committees, the Senior Bursar, and other College Officers, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

**PETERHOUSE
RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 30 JUNE 2022**

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

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

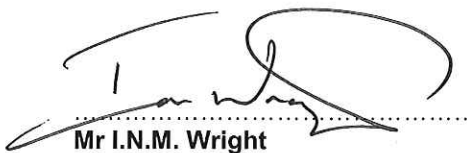
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare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

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

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

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


Ms B Kendall MBE
Master


Mr I.N.M. Wright
Senior Bursar

DRAFT INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE FOR THE YEAR ENDED 30 JUNE 2022

Opinion

We have audited the financial statements of Peterhouse (the 'College') for the year ended 30 June 2022 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion:

- the financial statements give a true and fair view of the state of the College's and Group's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The Governing Body are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**DRAFT INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF
PETERHOUSE (continued)**
FOR THE YEAR ENDED 30 JUNE 2022

Matters on which we are required to report by exception

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

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

Responsibilities of the Governing Body

As explained more fully in the Governing Body's responsibilities statement set out on page 26, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governing Body determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- We gained an understanding of the legal and regulatory framework applicable to the College and how it operates and considered the risk of the College not complying with the applicable laws and regulations including fraud in particular those that could have a material impact on the financial statements. This included those regulations directly related to the financial statements. In relation to the College this included data protection, health and safety, employment law and financial reporting.

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

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

DRAFT INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE (continued)

FOR THE YEAR ENDED 30 JUNE 2021

- We reviewed minutes of Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organisation.
- We reviewed the risk management processes and procedures in place including a review of the risk register and reporting to the Governing Body.

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

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

Use of our report

This report is made solely to the College's Governing Body, as a body, in accordance with College's statutes, the Statutes of the University of Cambridge and part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the College's Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the college and the college's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

PRICE BAILEY LLP

Chartered Accountants and Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ
Date:

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

PETERHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2022

Statement of Principal Accounting Policies

Basis of preparation

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 6.

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

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 9. Intra-group balances are eliminated on consolidation.

Recognition of income

Academic fees

Academic fees are recognised in the period to which they relate and include all fees chargeable to students or their sponsors. The costs of any fees waived or written off by the College are included as expenditure.

Grant income

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

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

Donations and endowments

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

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

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

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

PETERHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2022

Statement of Principal Accounting Policies (continued)

Recognition of income (continued)

Donations and endowments (continued)

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

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

Investment income and change in value of investment assets

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

Total return

The College operates a total return policy with regard to its quoted securities and pooled property funds. The spending policy is specifically designed to stabilise annual spending levels and to preserve the real value of the portfolio over time. The spending policy attempts to achieve these two objectives by using a long-term targeted spending rate combined with a smoothing rule, which adjusts spending gradually to changes in the market value of the quoted securities and pooled property funds. The actual rate of spending for 2021 when measured against a three year trailing average value was 3.25%.

Other income

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

Foreign currency translation

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

Fixed assets

Land and buildings

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

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

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

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

Buildings under construction are valued at cost, based on the value of architects' certificates and other direct costs incurred. They are not depreciated until they are brought into use.

PETERHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2022

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 2022

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 2022

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 2022

Statement of Principal Accounting Policies (continued)

Pension costs

Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Cambridge Colleges Federated Pension Scheme (CCFPS)

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

Other pension schemes

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

Critical accounting estimates and areas of judgement

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

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

PETETHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2022

Pension costs (continued)

Critical accounting estimates and areas of judgement (continued)

The present value of the USS and CCFPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2018 has been used by the actuary in valuing the pensions liability at 30 June 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Employment benefits

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

Legacy accounting

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

Reserves

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

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

PETERHOUSE

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30 JUNE 2022

	Note	Restricted Permanent Endowment			2022	Restricted Permanent Endowment			2021
		Unrestricted	Restricted	Endowment	Total	Unrestricted	Endowment		Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income									
Academic fees and charges	1	2,360	3	-	2,363	2,378	5	-	2,383
Accommodation, catering and conferences	2	2,729	-	-	2,729	1,733	-	-	1,733
Investment income	3	6,877	19	494	7,390	6,492	18	450	6,960
Endowment return transferred	3	-	559	(559)	-	-	562	(562)	-
Other income	4	178	-	-	178	291	-	-	291
Total income before donations and endowments		12,144	581	(65)	12,660	10,894	585	(112)	11,367
Donations		210	739	-	949	123	792	-	915
New endowments		-	-	8	8	-	-	125	125
Total income		12,354	1,320	(57)	13,617	11,017	1,377	13	12,407
Expenditure									
Education	4	5,523	1,093	-	6,616	4,824	783	-	5,607
Accommodation, catering and conferences	5	5,267	83	-	5,350	4,842	76	-	4,918
Other expenditure		2,424	2	43	2,469	2,532	1	28	2,561
Contribution under Statute G, II		202	-	-	202	210	-	-	210
Total expenditure	6	13,416	1,178	43	14,637	12,408	860	28	13,296
(Deficit)/Surplus before other gains and losses		(1,062)	142	(100)	(1,020)	(1,391)	517	(15)	(889)
Gains on investments applied to income	10	249	3	65	317	386	5	112	503
(Deficit)/Surplus before other gains and losses applied to income		(813)	145	(35)	(703)	(1,005)	522	97	(386)
Gain/(loss) on investments	10	(397)	(100)	(2,574)	(3,071)	27,095	117	2,946	30,158
Surplus/(deficit)/for the year		(1,210)	45	(2,609)	(3,774)	26,090	639	3,043	29,772
Other comprehensive income									
Miscellaneous capital receipts and payments		521	-	-	521	142	-	-	142
Actuarial loss in respect of pension schemes	15	3,309	-	-	3,309	952	-	-	952
Total comprehensive income for the year		2,620	45	(2,609)	56	27,184	639	3,043	30,866

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

PETERHOUSE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 JUNE 2022

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

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

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

PETERHOUSE
CONSOLIDATED AND COLLEGE BALANCE SHEET
AS AT 30 JUNE 2022

	Note	2022 Consolidated £'000	2022 College £'000	2021 Consolidated £'000	2021 College £'000
Non-current Assets					
Fixed assets	9	119,829	119,829	119,006	119,006
Investments	10	262,062	261,620	266,795	266,383
		381,891	381,449	385,801	385,389
Current assets					
Stocks	11	421	421	439	439
Trade and other receivables	12	2,634	2,742	2,584	2,897
Cash and cash equivalents	13	2,024	1,831	878	542
		5,079	4,994	3,901	3,878
Creditors: amounts falling due within one year	14	(2,828)	(2,788)	(3,081)	(3,093)
Net current assets		2,251	2,206	820	785
Total Assets less current liabilities		384,142	383,655	386,621	386,174
Creditors: amounts falling due after more than one year	15	(25,887)	(25,887)	(25,887)	(25,887)
Provisions					
Pension provisions	16	(2,962)	(2,962)	(5,497)	(5,497)
Total net assets		355,293	354,806	355,237	354,790
Restricted reserves					
Income and expenditure reserve – endowment reserve	17	16,548	16,548	19,157	19,157
Income and expenditure reserve – restricted reserve	18	6,875	6,875	6,830	6,830
Total Restricted reserves		23,423	23,423	25,987	25,987
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		331,870	331,383	329,250	328,803
Total Reserves		355,293	354,806	355,237	354,790

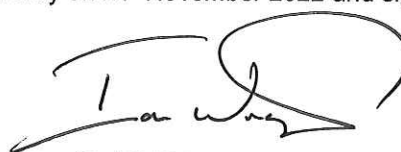
The accompanying notes on pages 29 to 47 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 21 November 2022 and signed on their behalf by:



Ms B Kendall MBE

Master



Mr I.N.M. Wright

Senior Bursar

PETERHOUSE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £'000	2021 £'000 Restated
Net cash outflow from operating activities	19	(4,329)	(3,225)
Cash flows from investing activities	20	18,574	2,531
Cash flows from financing activities	21	(1,163)	(13,329)
Increase in cash and cash equivalents in the year		13,082	(14,023)
Cash and cash equivalents at beginning of the year		1,789	15,182
Cash and cash equivalents at end of the year	22	14,871	1,789

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

PETERHOUSE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2022

1. Academic fees and charges

	2022	2021
	£'000	£'000
College Fees		
Fee income received at the Regulated Undergraduate rate	1,023	1,122
Fee income received at the Unregulated Undergraduate rate	571	519
Fee income received at the Graduate rate	554	530
Other income	215	212
	<u>2,363</u>	<u>2,383</u>

2. Income from accommodation, catering and conferences

		2022	2021
		£'000	£'000
Accommodation	College members	2,202	1,587
	Conferences	38	-
Catering	College Members	360	146
	Conferences	129	-
Total		<u>2,729</u>	<u>1,733</u>

3. Total return and investment income

3a. Analysis

	2022	2021
	£'000	£'000
Income from:		
Land and buildings	5,173	4,877
Quoted Pooled Property Funds	200	178
Quoted securities	2,004	1,839
Other interest receivable	13	66
Total	<u>7,390</u>	<u>6,960</u>

Total endowment return applied to income

	559	562
Land and buildings	5,173	4,877
Quoted Pooled Property Funds	182	162
Quoted securities	1,528	1,405
Other interest receivable	13	66
Less excess of total return over income received	(65)	(112)
Total	<u>7,390</u>	<u>6,960</u>

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

3b. Summary of total return

	2022 £'000	2021 £'000
Income from:		
Quoted Pooled Property Funds	18	16
Quoted Securities	476	434
	<u>494</u>	<u>450</u>
Gains/(losses) on investment assets:		
Quoted Securities and Pooled Property Funds	(2,509)	3,058
Investment management costs	(43)	(28)
Total return for year	<u>(2,058)</u>	<u>3,480</u>
Total return transferred to income and expenditure reserve (see note 17)	(559)	(562)
Unapplied total return for year included within Statement of Comprehensive Income and Expenditure (see note 17)	<u>(2,617)</u>	<u>2,918</u>

3.c Investment management costs

	2022 £'000	2021 £'000
Land and buildings	171	155
Quoted securities – equities	190	127
Total	<u>361</u>	<u>282</u>

4. Other Income

	2022 £'000	2021 £'000
Income from Coronavirus Job Retention Scheme	40	266
Other income	138	25
Total	<u>178</u>	<u>291</u>

5. Education expenditure

	2022 £'000	2021 £'000
Teaching	2,116	1,671
Tutorial	962	705
Admissions	608	539
Research	1,083	846
Scholarships and awards	1043	1,178
Other educational facilities	804	668
Total	<u>6,616</u>	<u>5,607</u>

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

6. Accommodation, catering and conferences expenditure

		2022	2021
		£'000	£'000
Accommodation	College members	3,282	3,189
	Conferences (including meeting rooms)	61	10
Catering	College Members and staff	1,885	1,707
	Conferences	122	12
Total		5,350	4,918

7a. Analysis of 2021/2022 expenditure by activity

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

7b. Analysis of 2020/2021 expenditure by activity

	Staff costs	Other	Depreciation	2021
	(Note 7)	Operating		Total
	£'000	Expenses	£'000	£'000
Education	2,673	2,289	645	5,607
Accommodation, catering and conferences	2,242	1,046	1,630	4,918
Other	236	2,535	-	2,771
Total	5,151	5,870	2,275	13,296

Other expenditure includes fundraising costs of £180k (2021: £143k). This expenditure does not include the costs of alumni relations.

7c. Auditors remuneration

Other operating expenses include:	2022	2021
	£'000	£'000
Audit fees payable to the College's external auditors	22	23
Other fees payable to the College's external auditors	-	-
Total	22	23

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

8. Staff and external teaching costs

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

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

	College Fellows 2021 £'000	Academic 2021 £'000	Non Academic 2021 £'000	Total 2021 £'000
Staff and external teaching costs:				
Emoluments	1,226	-	2,682	3,908
External teaching costs	-	180	-	180
Social Security costs	116	-	253	369
Other pension costs	221	-	473	694
Total	1,563	180	3,408	5,151

College Fellows include Academic Emoluments (£963k), Social Security costs (£83k), Other pension costs (£172k).

	2022	2021
Average number of staff:		
Academic (Full-time)	19	21
Academic (Part-time)	61	46
Non-academic (Full-time)	66	61
Non-academic (Part-time)	42	42
Total	188	170

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

The reduction in part-time non-academic staff in 2021 compared to 2020 was due to the impact of the Covid-19 pandemic on the use of casual staff, particularly within the catering department.

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. During the year there were 3 (2021: 3) members of the key management team and total remuneration (including pensions and national insurance contributions) and other benefits were £360,000 (2021: £352,000).

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

8. Staff costs (continued)

Trustees Remuneration

No Trustee is remunerated for being a Trustee.

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

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

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

From	To	2022 Number	2021 Number
£1	£10,000	13	10
£10,001	£20,000	8	10
£20,001	£30,000	4	2
£30,001	£40,000	2	1
£40,001	£50,000	-	-
£50,001	£60,000	1	2
£60,001	£70,000	1	-
£70,001	£80,000	1	1
£80,001	£90,000	3	4
£90,001	£100,000	1	-
	Total	34	30

The total Trustee salaries were £901,000 for the year (2021: £820,000). No individual Trustee's salary exceeded £100,000 during the year.

The Trustees were also paid other taxable benefits (including employer contributions to pensions) which totalled £206,000 (2021: £197,000).

The Trustees also received grants from the College towards their research totalling £29,000 (2021: £30,000).

Travel and other business expenses reimbursed by Trustees in their capacity as officers of the College totalled £8,000 (2021: £2,000).

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

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

9. Fixed assets

Group	Land and buildings £'000	Equipment £'000	2022 Total £'000	2021 Total £'000
Cost/valuation				
At beginning of year	130,592	2,976	133,568	131,009
Additions	2,989	168	3,157	2,559
Disposals	-	-	-	-
At end of year	133,581	3,144	136,725	133,568
Accumulated depreciation				
At beginning of year	13,418	1,144	14,562	12,287
Charge for the year	2,132	202	2,334	2,275
Eliminated on disposals	-	-	-	-
At end of year	15,550	1,346	16,896	14,562
Net book value				
At 30 June 2022	118,031	1,798	119,829	119,006
At 1 July 2021	117,174	1,832	119,006	118,722
College	Land and buildings £'000	Equipment £'000	2022 Total £'000	2021 Total £'000
Cost/valuation				
At beginning of year	130,592	2,976	133,568	131,009
Additions	2,989	168	3,157	2,559
At end of year	133,581	3,144	136,725	133,568
Accumulated depreciation				
At beginning of year	13,418	1,144	14,562	12,287
Charge for the year	2,132	202	2,334	2,275
At end of year	15,550	1,346	16,896	14,562
Net book value				
At 30 June 2022	118,031	1,798	119,829	119,006
At 1 July 2021	117,174	1,832	119,006	118,722

The insured value of freehold land and buildings as at 30 June 2022 was £144m (2021: £140m).

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

10. Investments

	Group	College	Group	College
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
At beginning of year	266,795	266,383	234,915	234,365
Additions	16,725	16,725	40,061	39,999
Disposals	(30,545)	(30,545)	(38,049)	(37,749)
(Loss)/gain	(2,754)	(2,784)	30,661	30,561
Increase/(decrease) in cash balances held at fund managers	11,841	11,841	(793)	(793)
At end of year	262,062	261,620	266,795	266,383

	Group	College	Group	College
	2022	2022	2021	2021
	£'000	£'000	£'000	£'000
Represented by:				
Property	187,344	186,507	181,223	180,416
Pooled Property Funds	4,852	4,852	4,184	4,184
Quoted securities – securities	56,144	56,144	80,280	80,280
Loans and fixed interest securities	773	773	-	-
Investment in subsidiary undertakings	-	460	-	460
Cash in hand and at investment managers	12,884	12,884	1,043	1,043
Other investments	65	-	65	-
	262,062	261,620	266,795	266,383

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

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

PEL develops property and holds property for rental. Any taxable revenue surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2022 the company had share capital and reserves totalling £459,252 (2021: £447,128) and the result after tax (but before deed of covenant) for the year then ended was £-15,876 loss (2021: £132,987 t).

PCEL runs conference and events facilities. Any taxable surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2022 the company had share capital and reserves totalling £1 (2021: £-7,919) and the result after tax (but before deed of covenant) for the year then ended was £9,141 (2021: £-7,920).

The Group has an investment through Manor Farm Stretham LLP in a residential housing development in Cambridgeshire. PEL holds an investment at cost of £65k (2021: £65k) in the LLP. Manor Farm Stretham LLP had borrowed on commercial terms £773k at 30 June 2022 (2021: £0k) from the College.

The Group has an investment in a property called Fornham Business Court and this is partially funded by a loan from a third party (see note 14: Other loans).

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

11. Stocks and work in progress

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Other stocks	421	421	439	439

12. Trade and other receivables

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Members of the College	52	52	103	102
Amount due from subsidiary undertaking	-	360	-	416
Other receivables	1,258	1,020	1,094	1,092
Prepayments and accrued income	1,324	1,310	1,387	1,287
Total	2,634	2,742	2,584	2,897

13. Cash and cash equivalents

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Bank deposits	1,489	1,309	353	30
Current accounts	535	522	525	512
Total	2,024	1,831	878	542

14. Creditors: amounts falling due within one year

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Bank overdraft	37	37	132	132
Members of the College	232	232	277	277
Amounts due to subsidiary undertakings	-	-	-	17
Bank loans	-	-	-	-
University fees	37	37	148	148
Contribution to Colleges Fund	202	202	210	210
Other Creditors (e.g. VAT)	1,497	1,476	1,511	1,508
Accruals and deferred income	823	804	803	801
Total	2,828	2,788	3,081	3,093

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

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

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Bank loans	24,000	24,000	24,000	24,000
Other loans	1,887	1,887	1,887	1,887
	<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

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Balance at beginning of year	5,497	5,497	6,277	6,277
Movement in year:				
Current service cost including life assurance	1,228	1,228	571	571
Contributions	(552)	(552)	(490)	(490)
Other finance cost	99	99	91	91
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(3,310)	(3,310)	(952)	(952)
Balance at end of the year	<u>2,962</u>	<u>2,962</u>	<u>5,497</u>	<u>5,497</u>

Split as follows:

CCFPS

Pension Provisions

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Balance at beginning of year	4,974	4,974	5,739	5,739
Movement in year:				
Current service cost including life assurance	295	295	321	321
Contributions	(287)	(287)	(218)	(218)
Other finance cost	90	90	84	84
Actuarial loss/(gain) recognised in Statement of Comprehensive Income and Expenditure	(3,310)	(3,310)	(952)	(952)
Balance at end of the year	<u>1,762</u>	<u>1,762</u>	<u>4,974</u>	<u>4,974</u>

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

16. Pension Provisions (continued)

USS

Pension Provisions

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Balance at beginning of year	523	523	538	538
Movement in year:				
Current service cost including life assurance	933	933	250	250
Contributions	(265)	(265)	(272)	(272)
Other finance cost	9	9	7	7
Balance at end of the year	1,200	1,200	523	523

17. Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent Endowments 2022 Base Value £'000	Restricted Permanent Endowments 2022 Unapplied return £'000	Restricted Permanent Endowments 2022 Total £'000	Restricted Permanent Endowments 2021 Total £'000
Group and College				
Balance at beginning of year	16,239	2,918	19,157	16,114
Increase/(decrease) in market value of investments	-	(2,509)	(2,509)	3,058
Investment Income	-	494	494	450
Management charges	-	(43)	(43)	(28)
Endowment return transferred to other unspent restricted income	-	(559)	(559)	(562)
New donations and endowments	8	-	8	125
Movement in Year	8	(2,617)	(2,609)	3,043
Balance at end of the year	16,247	301	16,548	19,157

Included within reserves the following amounts represent the Unapplied Total Return of the College:

	2022 £'000	2021 £'000
Unapplied Total Return at beginning of year	2,918	-
Unapplied Total Return for year (see note 3b)	(2,617)	2,918
Unapplied Total Return at end of year	301	2,918

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

17. Endowment funds (continued)

	Restricted Permanent Endowments 2022 Base Value £'000	Restricted Permanent Endowments 2022 Unapplied return £'000	Restricted Permanent Endowments 2022 Total £'000	Restricted Permanent Endowments 2021 Total £'000
Analysis by type of purpose:				
Research, studentship, scholarship funds	12,949	240	13,189	15,278
Student hardship	2,320	42	2,362	2,727
Prizes	421	8	429	497
Travel grants	333	7	340	393
Library fund	70	1	71	81
Garden fund	139	3	142	163
Kelvin fund	15	-	15	18
	16,247	301	16,548	19,157
Analysis by asset:				
Investments	16,247	301	16,548	19,157

18. Restricted Reserves

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

Group and College

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2022 Total £'000	2021 Total £'000
Balance at beginning of year	437	6,393	6,830	6,191
Application of total return on Endowment return transferred	559	-	559	562
Transfer of Income	(605)	605	-	-
Increase/(decrease) in market value of investments	-	(97)	(97)	122
Investment income	-	19	19	18
Management charges	-	(2)	(2)	(1)
New grants	-	3	3	5
New donations	-	739	739	792
Expenditure	-	(1,176)	(1,176)	(859)
Movement in the year	(46)	91	87	639
Balance at end of year	391	6,484	6,875	6,830

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

18. Restricted Reserves (continued)

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

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2022 Total £'000	2021 Total £'000
Music	-	77	77	87
Works of art	-	7	7	7
Research, studentship, scholarship funds	181	786	967	1,041
Student hardship	177	329	506	391
Boat club fund	-	423	423	478
Cricket club	-	3	3	3
Prizes	29	15	44	41
Perne library	-	17	17	17
Travel grants	2	37	39	54
Library fund	1	13	14	13
Chapel	-	1,110	1,110	1,029
Lectures	-	47	47	48
Kelvin Fund	1	-	1	1
Buildings fund	-	3,620	3,620	3,620
	391	6,484	6,875	6,830

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

	2022 £'000	2021 £'000
(Deficit)/surplus for the year	(3,774)	29,772
Adjustment for non-cash items:		
Depreciation	2,334	2,275
Loss/(Gain) on endowments and investments	2,754	(30,661)
Decrease/(increase) in stock	18	(9)
(Increase)/ decrease in trade and other receivables	(50)	151
(Decrease)/increase in creditors	(158)	706
Pension costs less contributions payable	774	172
Adjustment for investing or financing activities:		
Investment Income	(7,390)	(6,960)
Loan interest payable	1,163	1,329
Net cash outflow from operating activities	(4,329)	(3,225)

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

20. Cash flows from investing activities

	2022 £'000	2021 £'000 Restated
Non-current investment disposals and capital receipts	31,066	38,191
Investment income	7,390	6,960
Endowment funds invested	(16,725)	(40,061)
Payments to acquire tangible fixed assets	(3,157)	(2,559)
Total cash flows from investing activities	18,574	2,531

21. Cash flows from financing activities

	2022 £'000	2021 £'000
Interest paid	(1,163)	(1,329)
Repayments of amounts borrowed	-	(12,000)
Net cash outflow from financing activities	(1,163)	(13,329)

22. Analysis of cash and cash equivalents

	At beginning of year £'000 Restated*	Cash flows £'000	At end of year £'000
Bank overdraft	(132)	95	(37)
Cash at bank and in hand	878	1,146	2,024
Cash at investment managers	1,043	11,841	12,884
Net Funds	1,789	13,082	14,871

*Cash is restated to reflect the reclassification of Cash in at investment managers.

23. Pension Schemes

Universities Superannuation Scheme (USS)

The total cost charged to the profit and loss account is £933k (2021: £250K).

Deficit recovery contributions due within one year for the institution are £81k (2021: £65k).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

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23. Pension Schemes (continued)

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.80%	1.80%
Pensionable salary growth	3.25%	3.10%]

Cambridge Colleges Federated Pension Scheme (CCFPS)

The College operates a defined benefits plan for the College's employees of the Cambridge Colleges' Federated Pension Scheme.

The liabilities of the plan have been calculated, at 30 June 2022, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

23. Pension Schemes (continued)

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

	30 June 2022	30 June 2021
	% p.a.	% p.a.
Discount rate	3.80	1.80
Increase in salaries	3.25	3.10
Retail Prices Index (RPI) assumption	3.45*	3.40
Consumer Prices Index (CPI) assumption	2.75*	2.60
Pension increases in payment (RPI max 5% p.a.)	3.30*	3.30
Pension increases in payment (CPI max 2.5% p.a.)	2.05*	1.95

*For 1 year only, we have assumed that RPI will be 11% and CPI will be 9%. The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements (2021: S3PA with CMI_2020 future improvement factors and a long-term future improvement rate of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.9 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 24.3 years (previously 24.3 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.2 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.7 years (previously 25.7 years).

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

	Male	Female
Active Members – Option 1 Benefits	64	64
Deferred Members – Option 1 Benefits	63	62

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

The amounts recognised in the Balance Sheet as at 30 June 2022 (with comparative figures as at 30 June 2021) are as follows:

	30 June 2022	30 June 2021
	£'000	£'000
Present value of plan liabilities	(13,164)	(17,950)
Market Value of plan assets	11,402	12,976
Net defined benefit liability	(1,762)	(4,974)

The amounts to be recognised in Income and Expenditure for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	30 June 2022	30 June 2021
	£'000	£'000
Current service cost	275	304
Administrative expenses	20	17
Interest on net defined benefit liability	90	84
Loss on plan changes	-	-
Total	385	405

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

23. Pension Schemes (continued)

Changes in the present value of the plan liabilities for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	30 June 2022 £'000	30 June 2021 £'000
Present value of plan liabilities at beginning of period	17,950	17,976
Current service cost (including Employee contributions)	327	358
Benefits paid	(29)	(456)
Interest on plan liabilities	326	260
Actuarial (gain)/loss	(5,409)	(187)
Loss on plan changes	-	-
Present value of plan liabilities at end of period	13,165	17,951

Changes in the fair value of the plan assets for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	30 June 2022 £'000	30 June 2021 £'000
Market value of plan assets at beginning of period	12,977	12,237
Contributions paid by the College	287	218
Employee contributions	52	54
Benefits paid	(29)	(456)
Administrative expenses paid	(27)	(30)
Interest on plan assets	236	176
Return on assets, less interest included in Profit & Loss	(2,093)	777
Market value of plan assets at end of period	11,403	12,976
Actual return on plan assets	(1,857)	954

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2021 (with comparative figures for the year ending 30 June 2020) are as follows:

	2022	2021
Equities	52%	48%
Bonds and cash	34%	42%
Property	14%	10%

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

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022 £'000	2021 £'000
Return on assets, less interest included in Income and Expenditure	(2,093)	777
Expected less actual plan expenses	(7)	(13)
Experience gains and losses arising on plan liabilities	(184)	17
Changes in assumptions underlying the present value of plan liabilities	5,594	171
Re-measurement of net defined benefit liability recognised in OCI	3,310	952

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

23. Pension Schemes (continued)

Movement in surplus/ (deficit) during the year ending 30 June 2022 (with comparative figures for the year ending 30 June 2021) are as follows:

	2022	2021
	£'000	£'000
Surplus deficit in Scheme at beginning of the year	(4,974)	(5,739)
Recognised in Profit and Loss	(385)	(405)
Contributions paid by the College	287	218
Actuarial gain recognised in OCI	3,310	952
Surplus deficit in plan at the end of the year	(1,762)	(4,974)

Funding Policy

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

The last such actuarial valuation was as at 31 March 2020. This showed that the plan's assets were insufficient to cover the liabilities on the funding basis. A Recovery Plan has been agreed with the College, which commits the College to paying contributions to fund the shortfall. These deficit reduction contributions were incorporated into the plan's latest Schedule of Contributions dated 21 May 2021 and are as follows:

- Annual contributions of not less than £91,513 per annum payable for the period from 1 July 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 £129k (2020: £123k).

The total pension cost for the College for the year to 30 June 2022 shown in note 8 was as follows:

	2022	2021
	£'000	£'000
USS: Charged to Income and Expenditure Account	933	250
CCFPS: Charged to Income and Expenditure Account	295	321
CCGPS: Defined Contribution Scheme Employer contributions	129	123
	1,357	694

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

24. Capital Commitments

	2022 £'000	2021 £'000
Capital commitment at 30 June 2022 are as follows:		
Authorised and contracted	7,301	2,624

25. Operating Leases - Lessor

At 30 June 2022 the College had granted non-cancellable operating leases in respect of its freehold investment properties as follows:

	2022 £'000	2021 £'000
Expiring within one year	780	1,480
Expiring between two and five years	694	904
Expiring in over five years	2,900	2,549
	<u>4,374</u>	<u>4,933</u>

26. Consolidated reconciliation and analysis of net debt

	At 1 July 2021 £'000	Cash Flows £'000	At 30 June 2022 £'000
Cash and cash equivalents	878	1,146	2,024
Borrowings-			
Amounts falling due within one year:			
Unsecured bank loans	-	-	-
Bank overdraft	(132)	95	(37)
Borrowings-			
Amounts falling due after more than one year:			
Unsecured bank loans	(24,000)	-	(24,000)
Unsecured other loans	(1,887)	-	(1,887)
Net total debt	<u>(25,141)</u>	<u>1,241</u>	<u>(23,900)</u>

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NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

27. Related Party Transactions

No disclosure of transactions with Peterhouse Library Charity Limited, Peterhouse Enterprises Limited or Peterhouse Conference and Events Limited has been made as those financial statements at 30 June 2022 have been consolidated within these accounts. Any payments from the College to Trustees appear in note 8 within Trustees Remuneration. From time to time, Trustees may make use of the services provided by Peterhouse Conference and Events Limited, but these are on arms-length commercial terms (2022: £3k; 2021: £Nil).

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

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

The College acts as an agent for the collection of fees for the University of Cambridge; for the year ended 30 June 2022 these fees total £6,049 k (2021: £5,981 k). During the year the University paid Peterhouse from these fees sums totalling £1,547k (2021: £1,588k) under the terms of agreements between the University and the Colleges to share fee income with the Colleges in a way that recognises the relative contributions of the University and the Colleges. During the year Peterhouse made a contribution under Statute Gil of £210k (2021: £210k) into the Colleges Fund. The Colleges Fund is administered by the University of Cambridge on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. Peterhouse administers a Cambridge Bursary Scheme to support undergraduates financially; the University of Cambridge contributed £127k to this scheme (2021: £120k). In the course of its charitable activities, Peterhouse also pays the University of Cambridge for printing, network and other services. In addition, Peterhouse periodically provides conference-related services including accommodation, catering and other services to the organisations and departments belonging to the University of Cambridge on standard third party terms.

28. Contingent Liability and Post balance sheet events

Peterhouse has entered into a Collaboration Agreement with a medical charity in respect of some land that it owns and also some land that is owned by the medical charity group. Both parties also signed a Promotion Agreement with a third party commercial Promoter in 2011 with respect to this land. The terms of the Collaboration Agreement mean that, in the event of the successful promotion and sale for development of land covered by the Agreement, certain equalisation payments may flow in future from one party to the other. The equalisation payments are calculated to ensure that both Peterhouse and the medical charity ultimately realise the same value per acre of land sold for development.

On 11th November 2022 Peterhouse completed the grant of a 150 year lease to British Land on part of the Collaboration Agreement land referred to above. This continues the Peterhouse policy of retaining freehold interest in land in and around Cambridge for the long term benefit of the College. As a result of this lease, the Peterhouse received a lease premium payment from British Land of £17.5m net of Promotion Fees. Under the terms of the Collaboration Agreement, Peterhouse is due to pay £14.0m to the medical charity at some point within 12 months of the date of the lease. As a result of future land sales by the medical charity group, the Peterhouse Group may receive corresponding sums from the medical charity group under the terms of the Collaboration Agreement. At this stage the magnitude and timing of receipts from the medical charity group under the Collaboration Agreement cannot be predicted with sufficient confidence and so no asset or liability from these transactions has been recognised on the balance sheet.