

PETERHOUSE

**FOR THE YEAR ENDED
30 JUNE 2017**

PETERHOUSE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Contents

	Page
Reference and Administrative Details	2
Senior Officers and Advisors	3
Operating Review	4-6
Financial Review	7-10
Corporate Governance	11
Statement of Internal Control	12
Responsibilities of the Governing Body	13
Report of the Auditors	14 – 16
Statement of Principal Accounting Policies	17 – 21
Consolidated Income and Expenditure Account	22
Statement of Changes in Reserves	23
Balance Sheet	24
Cash Flow Statement	25
Notes to the Accounts	26 – 42

PETERHOUSE

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 30 JUNE 2017

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 R.J.C. Munday (resigned 30 September 2016)

Dr P. Pattenden

Dr S.N. Solomou

Professor M.A. Parker

Professor P.C. Woodland

Professor S.F. Deakin

Dr S.E. Jackson

Professor B.P. Simms

Dr M.C. Jones

Dr J.N.B. Carleton Paget

Professor A.M.L. Lever

Dr J.M.B. Wallace

Mr S.H. Mandelbrote

Dr A.J. White

Professor P.A. Midgley

Dr R.I. Ross Russell

Dr D.D. Symons (resigned 31 December 2016)

Dr M.J. Ryan

Dr C.D.J. Tilmouth

The Revd Dr S.W.P. Hampton

Dr A Zsák

Dr C.G. Lester

Professor T.M. Crane

Dr F.M. Becker (resigned 30 September 2016)

Dr S.M. Murk Jansen

Professor M Moriarty

Professor S. Connor

Dr T.P. Hooper

Mr I.N.M. Wright

Dr J.P. Talbot

Dr T.K. Dickens

Professor R.J. Holton

Dr A. Haldar

Dr M.W. Shores

Professor J.E. Robb

Dr S.J Lunn-Rockcliffe (appointed 1 October 2016)

Dr G Christie (appointed 1 October 2016)

Dr T Long (appointed 1 January 2017)

Dr C Watts (appointed 1 January 2017)

PETERHOUSE

SENIOR OFFICERS AND ADVISORS FOR THE YEAR ENDED 30 JUNE 2017

Current Senior Administrative Officers

Master:	Ms B Kendall MBE
Senior Tutor:	Dr S.M. Murk Jansen
Senior Bursar:	Mr I.N.M. Wright

Principal Legal Advisers

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

Property Managers

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Knight Frank LLP
20 Hanover Square
London
W1S 1HZ

Fund Managers / Investment Advisors

Credit Suisse (UK) Ltd
Five Cabot Square
London
E14 4QR

Cantab Asset Management Ltd
35 Hills Road
Cambridge
CB2 1NT

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 2017

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 2016 RCCA which has adopted FRS 102.

Scope of the Financial Statements

The consolidated financial statements cover the education, research and religious activities of Peterhouse and also its subsidiary companies. These subsidiaries undertake activities which for legal or commercial reasons are more appropriately carried out by limited companies. The subsidiary companies are listed in note 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 2017

Public benefit

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

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

Funding

The sources of income of Peterhouse are:

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

Achievements and performance

Education

81 full time undergraduates were admitted in the year 2016-17, bringing the total across all years to 257; the new intake can be broken down as to 53/47% arts and sciences, and 53/46% male, female; the intake was composed of 64 Home and EU students and 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 178, of whom 129 were fee paying.

The College aims to provide supervision and direction of studies by its own Fellows in most of the principal subjects offered by the University; Fellows providing teaching in Theology and Religious Studies, Chemical Engineering and Biological Sciences, Engineering, and Medicine joined the Fellowship during the year.

PETERHOUSE

OPERATING REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2017

218 undergraduates sat classed University examinations in 2017, with 88% obtaining grades in the First Class or the upper division of the Second Class (or in the undivided Second Class); the performance overall was similar to the previous year; two undergraduates were awarded University prizes; 35 graduate students successfully completed an MPhil or other one-year graduate course, 2 completed clinical studies and 28 satisfied the requirement for the degree of PhD.

54 undergraduates – some 26% of those potentially eligible – received means-tested awards totalling £200k under the centralised Cambridge Bursary Scheme, with 35 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 £60k to make loans and grants to support undergraduates facing particular financial hardship; scholarships and prizes worth some £52k were awarded by the Governing Body to recognise and reward excellence and achievement, while grants for recreational travel and vacation study came to £45k.

The College made grants totalling £69k 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 1,616 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; a digital edition of the Whittle Power Jet papers held by Peterhouse was launched as part of the Cambridge Digital Library; substantial work took place in relation to the continued refurbishment of D staircase; the first phase of the refurbishment of Cosin Court began; a graduate house in Warkworth Street was also refurbished; and works to convert a 16th century listed building on Trumpington Street into residential accommodation and retail space got underway.

Research

Three Research Fellows specialising in Physics, Philosophy and Molecular Biology were appointed through the annual competition, each for an initial three year term, which brought the total number of Research Fellows to six: these Fellowships enable outstanding academics at the early stages of their careers to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of an academic post.

On the recommendation of the Research Studentships Committee a further nine Research Studentships were awarded to graduate students on the basis of merit to cover their academic fees and maintenance expenses, bringing the total to twenty one and the annual cost of the scheme to £441k; in addition to this, £60k was spent supporting Neuroscience; the Tutors made other grants and awards totalling £84k to graduate students in order to offset research and maintenance expenses.

Research allowances totalling £44k were provided in support of Fellows' research activities; a Bye-Fellow in Modern German Studies, a Bye Fellow in Human, Social and Political Sciences, a Visiting Fellow in Economic History, a Visiting Fellow in Social Sciences and International Studies, a Visiting Fellow in Archaeology and four Senior Research Associates, one in Archaeology, one in Mathematics, one in History, and one in Celtic Studies, were appointed for varying terms. Four Research Associateships and two Honorary Research Associateships were also granted to post-doctoral workers at the University.

Religion

The Chapel occupied its usual place at the heart of the College's spiritual life, with a variety of religious services taking place regularly during Full Term, underpinned by Peterhouse's strong choral tradition.

The College appointed Dr Dumbreck as Acting Dean to support religious activities during the Revd Dr Hampton's sabbatical; there was a Choir Tour to Amsterdam; and the College supported a spiritual retreat for members of the College.

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 2017

The financial statements for the year to 30 June 2017 have been prepared in accordance with 2016 RCCA and the external auditors' opinion is unqualified. The College's three wholly-owned subsidiaries have all been consolidated. The three subsidiaries are: Peterhouse Library Charity Limited, which provides the College with library services; 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 continues to expand its studentship programme for graduates and also continues to invest in the range of services it offers to all its students.

The College also seeks to maintain and gradually enhance its stock of operational properties, and has undertaken a number of substantial projects during the year, including the refurbishment of D Staircase and the first phase of Cosin Court. It has also commenced work on the refurbishment of a property on Trumpington Street which will eventually add 5 self contained flats to the College's stock of accommodation.

This year the College showed a modest overall accounting surplus before donations of £178k. This, together with the generosity of donors towards the expansion of our charitable activities and the continued rise in asset values, has increased the reserves by £16.8m.

Peterhouse

Simplified Income and Expenditure

	2017 Total £'000	2016 Total £'000
Total income before donations and endowments	12,234	11,248
Total expenditure	(12,056)	(11,064)
Surplus before donations	178	184
Donations	855	1,145
New endowments	13	338
Surplus before other gains and losses	1,046	1,667
Gains on investments and assets	15,719	8,603
Surplus for the year	16,765	10,270

Income/Expenditure

Income from Academic Fees and Charges rose by 7.2% on the prior year reflecting a change in the mix of fee paying students and an increase in graduate numbers. Income from Residences, catering and conferences rose by 11.0% on the prior year. This reflected a combination of annual modest increase in student room rates and a much more significant increase in room stock; catering activity rose partly due to an increase in student numbers and also due to strong sales to third party conferences and events. Endowment income rose by 7.6%, which reflected a number of factors including: the acquisition of an agricultural property; a number of rental uplifts on existing investment properties; and growth of income from a property development loan. Overall total College income before donations and endowments rose by £986k (8.8%).

The College's total expenditure rose by £992k (9.0%). A key driver of this increase was the ongoing expansion of graduate research and studentships expenditure. The existing graduate studentship programme was increased by £177k and a further £60k was spent supporting Neuroscience. The financing costs associated with the acquisition of an agricultural property also contributed significantly to the increase in costs. The loans are disclosed in Note 14.

Total depreciation rose by £63k as a result of the additional capitalised expenditure discussed below.

**FINANCIAL REVIEW CONTINUED
FOR THE YEAR ENDED 30 JUNE 2017****Staff costs and pensions**

Total staff costs (academic and non-academic) remain the most significant cost for the College at £4.1m. Staff costs excluding actuarial adjustments to the pension schemes under FRS102 increased by £118k or 3.0%. This reflected the cost of living increase for the year, some modest increases in staff numbers, the removal of the contracted out rebate for pension schemes, the ongoing impact of auto-enrolment, and the College's continued commitment to paying its staff at least in line with the Living Wage.

The staff CCFPS pension scheme remains significantly in deficit (under FRS102) in 2017. The changes in assumptions (particularly the reduction in the discount rate and increase to inflation) have caused an increase in the liabilities of £549k and a reduction in the return on assets of £128k. This scheme is closed to new entrants.

The College includes a share of the USS Scheme's current deficit for the first time. Details of this scheme and the CCFPS scheme are included in note 8.

The pension scheme liabilities measured under FRS102 have increased by 25.5% from £3.4m to £4.3m.

Capital expenditure

Nearly £1.5m was invested in the refurbishment of D staircase which is a significant project within one of the College's older Grade 1 listed buildings. Further refurbishment works were carried out on graduate accommodation in Cosin Court and Warkworth Street. The need to maintain the College's operational buildings, most of which are listed and of historic importance, and ensure their compliance with new regulations, and to meet higher energy efficiency standards places a significant financial burden on the College.

The College continues to invest in its IT infrastructure and software; in particular the College has recently introduced a new general ledger accounting systems and has sought to extend its EPOS system (Electronic Point of Sale) so that it has improved online functionality. The investment in new systems has significantly improved the quality of financial information available to support College management and reporting activities.

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:

	2017	2016
	£'000	£'000
Property	179,997	153,025
Pooled property funds	10,779	10,594
Equities	54,563	47,834
Cash, loans and fixed interest securities	4,239	2,812
Cash in hand and at investment managers	1,418	4,036
Other investments	380	106
Total Investments	251,376	218,407
Loans	(42,000)	(26,100)
Net Endowment Assets	209,376	192,307

PETERHOUSE

FINANCIAL REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2017

Endowment return and investment income	2017	2016
	£'000	£'000
Income from:		
Land and buildings	4,628	4,373
Pooled Property Funds	552	534
Equities	1,917	1,886
Other interest receivable	345	125
Total Income	7,442	6,918
Equities Management costs	(96)	(89)
Direct Costs of Property Management, Agency Fees and Maintenance	(558)	(469)
Net Income Before Financing Costs	6,788	6,360
Interest and Finance Costs	(1,476)	(1,177)
Total Net Income After Financing Costs	5,312	5,183
Capital Gains on investments (realised and unrealised)	14,778	8,603
Total Return	20,090	13,786

The College completed the purchase of a large farm and associated buildings on 1 July 2016 for approximately £18m. This was funded by a mix of short and medium term bank debt. A deposit of £1m had been paid shortly before the end of last year. The College expects to repay this bank debt over the next 5 years using proceeds from specific anticipated activity elsewhere within the investment portfolio.

The College operates an ethical investment policy. Under the terms of that policy and having regard to the requirements of charity law to maximise returns, the College seeks to ensure that investments are not made in companies whose practices it believes to be in conflict with the charitable purposes of the College.

Reserves

Peterhouse's unrestricted funds at the year-end amounted to £303.8m (2016: £289.8m) and are represented in the balance sheet by the College's operational buildings – which are used for academic and residential purposes – and by part of the investment portfolio. The Governing Body believes that reserves on this scale are necessary for the College to meet its charitable objectives and 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

In the course of their supervision of the College's activities, the College Officers and Committees, within their respective terms of reference and reporting to the Governing Body, routinely identify and manage the major risks to which the College and its subsidiaries are or may be exposed. The College also maintains a high-level risk register which is reviewed annually by the Governing Body.

Fundraising

The existence and success of Peterhouse is a reflection of the outstanding generosity over time of Petreans and other benefactors. The College's development campaign continued to make a valuable contribution over the year, with donations and legacies of £0.9m (2016: £1.5m). Of these £13k was raised for permanent endowments. The combined net costs of fundraising and member relations was £280k (2016: £213k).

Principal risks and uncertainties

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 principal risks to the College which require addressing are: its long-term ability to attract the best staff and students, to maintain and develop its research and educational funding and to conserve, refresh, and renew its physical facilities.

The outcome of the referendum on membership of the EU has made the political, economic and educational landscape increasingly uncertain. This is against a back drop of cuts by Government to funding for teaching and research, coupled with fees for students rising steeply in recent years. Operating costs in the meantime have been subject to ongoing inflationary pressures.

Peterhouse seeks to respond to these challenges by focussing on efficient financial management of its operational activities on a day-to-day basis, 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:

- Further expansion of its Research Studentship scheme to offer financial support for the most talented graduate students;
- Completion of a Master Planning exercise across the College's operational estate to identify enhancements that will further improve the academic, cultural, musical, sporting and social facilities available for 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 FOR THE YEAR ENDED 30 JUNE 2017

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number No. 1137457) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Trustees are Governing Body which is advised in carrying out its duties by a number of Committees.
 - a. Governance Committee
 - b. Remuneration Committee
 - c. Finance Committee
 - d. Estates And Investments Committee
 - e. Development Committee
 - f. Education Committee
 - g. Admissions Committee
 - h. Examination Failures Committee
 - i. Grants Committee
 - j. Honorary & Visiting Fellowships Committee
 - k. Research Studentships Committee
 - l. Research Fellowships Committee
 - m. Travel Grants Committee
 - n. Charitable Applications Committee
 - o. Co-Ordinating Committee
 - p. Peterhouse Boat Club Fund Management Committee
 - q. Staff Committee
 - r. Food And Wine Committee
 - s. Buildings, Fabric And Gardens Committee
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), The Master, Senior Tutor, Senior Bursar and three 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 2017 are set out on page 2.

STATEMENT OF INTERNAL CONTROL FOR THE YEAR ENDED 30 JUNE 2017

1. 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.
2. 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.
3. 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 2017 and up to the date of approval of the financial statements.
4. 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.
5. 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 2017

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

27.11.2017



Mr I.N.M. Wright

Senior Bursar

27.11.2017

DRAFT INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF PETERHOUSE FOR THE YEAR ENDED 30 JUNE 2017

Opinion

We have audited the financial statements of Peterhouse for the year ended 30 June 2017 which comprise the Statement of Principal Accounting Policies, the Consolidated Income and Expenditure Account, the Consolidated and College Statement of Changes in Reserves, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes. 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), including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 Group's and College's affairs as at 30 June 2017, and of the Group's surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011, the College's Statutes and the Statutes of the University of Cambridge.
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G, II, of the University of Cambridge.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

FOR THE YEAR ENDED 30 JUNE 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Responsibilities of the Governing Body, set out in the Trustee's Report, the Governing Body are responsible for the preparation of financial statements which 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 is responsible for assessing the 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 College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Charities Act 2011, s. 144 and report in accordance with regulations made under section 154 of that Act, in accordance with the College's Statutes and the Statutes of the University of Cambridge. 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.

PETERHOUSE

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

FOR THE YEAR ENDED 30 JUNE 2017

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Price Bailey LLP

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date 7.12.2017

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

PETERHOUSE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

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 and applicable United Kingdom accounting standards. In addition, the financial statements comply with the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP).

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.

Basis of accounting

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

Basis of consolidation

The consolidated financial statements include the College and its subsidiary undertakings. Details of the subsidiary undertakings included are set out in note 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.
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.

PETERHOUSE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

Statement of Principal Accounting Policies

Recognition of income (continued)

Donations and endowments (continued)

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.

Other income

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

Foreign currency translation

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

Fixed assets

Land and buildings

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

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

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

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

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

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

PETERHOUSE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

Statement of Principal Accounting Policies

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.

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.

PETERHOUSE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

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.

Pension costs

Universities Superannuation Scheme (USS)

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

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

Cambridge Colleges Federated Pension Scheme (CCFPS)

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2017

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.

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 2014 has been used by the actuary in valuing the pensions liability at 30 June 2017. 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.

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 2017

	Note	2017 Unrestricted £'000	2017 Restricted £'000	2017 Endowment £'000	2017 Total £'000	2016 Unrestricted £'000	2016 Restricted £'000	2016 Endowment £'000	2016 Total £'000
Income									
Academic fees and charges	1	1,715	7	-	1,722	1,607	-	-	1,607
Residences, catering and conferences	2	2,995	-	-	2,995	2,698	-	-	2,698
Investment income	3	6,982	460	-	7,442	6,461	457	-	6,918
Other income		75	-	-	75	25	-	-	25
Total income before donations and endowments		11,767	467	-	12,234	10,791	457	-	11,248
Donations		267	588	-	855	723	422	-	1,145
New endowments		-	-	13	13	-	-	338	338
Total income		12,034	1,055	13	13,102	11,514	879	338	12,731
Expenditure									
Education	4	4,057	745	-	4,802	3,772	630	-	4,402
Residences, catering and conferences	5	4,417	66	-	4,483	4,245	62	-	4,307
Other expenditure		2,543	-	-	2,543	2,113	-	-	2,113
Contribution under Statute G, II		228	-	-	228	242	-	-	242
Total expenditure	6	11,245	811	-	12,056	10,372	692	-	11,064
Surplus before other gains and losses		789	244	13	1,046	1,142	187	338	1,667
Gain on disposal of fixed assets	8	341	-	-	341				
Gain on investments	9	13,514	57	1,807	15,378	8,161	23	419	8,603
Surplus for the year		14,644	301	1,820	16,765	9,303	210	757	10,270
Other comprehensive income									
Miscellaneous capital receipts and payments		35	-	-	35	24	-	-	24
Actuarial loss in respect of pension schemes	16	(714)	-	-	(714)	-	-	-	-
Total comprehensive income for the year		13,965	301	1,820	16,086	9,327	210	757	10,294

STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 JUNE 2017

College and Consolidated	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
	£'000	£'000	£'000	£'000
Balance at 1 July 2015	281,069	4,553	12,175	297,797
Surplus from income and expenditure statement	9,303	210	757	10,270
Other comprehensive income	24	-	-	24
Transfers between reserves	(599)	599	-	-
Balance at 30 June 2016	289,797	5,362	12,932	308,091

College and Consolidated	Income and expenditure reserve			Total
	Unrestricted	Restricted	Endowment	
	£'000	£'000	£'000	£'000
Balance at 1 July 2016	289,797	5,362	12,932	308,091
Surplus from income and expenditure statement	14,644	301	1,820	16,765
Other comprehensive income	(679)	-	-	(679)
Transfers between reserves	-	-	-	-
Balance at 30 June 2017	303,762	5,663	14,752	324,177

PETERHOUSE

CONSOLIDATED AND COLLEGE BALANCE SHEET AS AT 30 JUNE 2017

	Note	2017 Consolidated £'000	2017 College £'000	2016 Consolidated £'000	2016 College £'000
Non-current Assets					
Fixed assets	8	117,409	115,806	117,358	115,730
Investments	9	251,376	256,871	218,407	224,176
		368,785	372,677	335,765	339,906
Current assets					
Stocks	10	366	366	507	376
Trade and other receivables	11	2,468	3,631	1,772	3,314
Cash and cash equivalents	12	1,907	1,353	2,697	1,772
		4,741	5,350	4,976	5,462
Creditors: amounts falling due within one year	13	(9,080)	(9,048)	(3,149)	(3,138)
Net current assets		(4,339)	(3,698)	1,827	2,324
Total Assets less current liabilities		364,446	368,979	337,592	342,230
Creditors: amounts falling due after more than one year	14	(36,000)	(42,049)	(26,100)	(31,909)
Provisions					
Pension provisions	15	(4,269)	(4,269)	(3,401)	(3,401)
Total net assets		324,177	322,661	308,091	306,920
Restricted reserves					
Income and expenditure reserve – endowment reserve	16	14,752	14,752	12,932	12,932
Income and expenditure reserve – restricted reserve	17	5,663	5,663	5,362	5,362
Total Restricted reserves		20,415	20,415	18,294	18,294
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		303,762	302,246	289,797	288,626
Total Reserves		324,177	322,661	308,091	306,920

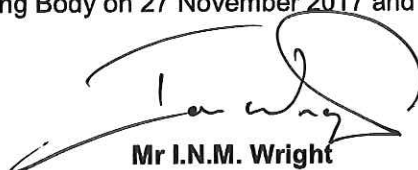
The accompanying notes on pages 26 to 42 are an integral part of this balance sheet.

The financial statements were approved by the Governing Body on 27 November 2017 and signed on their behalf by:



Ms B Kendall MBE

Master



Mr I.N.M. Wright

Senior Bursar

PETERHOUSE

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 £'000	2016 £'000
Net cash outflow from operating activities	18	(3,434)	(1,811)
Cash flows from investing activities	19	(11,661)	519
Cash flows from financing activities	20	14,478	(1,577)
Decrease in cash and cash equivalents in the year		(617)	(2,869)
Cash and cash equivalents at beginning of the year		2,471	5,340
Cash and cash equivalents at end of the year	21	1,854	2,471

The notes on pages 26 to 42 form part of these accounts.

PETERHOUSE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2017

1. Academic fees and charges

	2017 £'000	2016 £'000
College Fees		
Fee income received at the Regulated Undergraduate rate	953	986
Fee income received at the Unregulated Undergraduate rate	234	164
Fee income received at the Graduate rate	412	326
Other income	123	131
	<u>1,722</u>	<u>1,607</u>

2. Income from residences, catering and conferences

	2017 £'000	2016 £'000
Accommodation		
College members	1,679	1,511
Conferences	357	369
Catering		
College Members	520	430
Conferences	439	388
Total	<u>2,995</u>	<u>2,698</u>

3. Endowment return and investment income

	Total 2017 £'000	Total 2016 £'000
Income from:		
Land and buildings	4,628	4,373
Pooled Property Funds	552	534
Quoted securities	1,917	1,886
Other interest receivable	345	125
Total	<u>7,442</u>	<u>6,918</u>

Investment management costs

	2017 £'000	2016 £'000
Land and buildings	148	173
Quoted securities – equities	96	88
Cash	-	1
Total	<u>244</u>	<u>262</u>

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

4. Education expenditure

	2017 £'000	2016 £'000
Teaching	1,616	1,544
Tutorial	541	527
Admissions	413	354
Research	727	800
Scholarships and awards	877	592
Other educational facilities	628	585
Total	4,802	4,402

5. Residences, catering and conferences expenditure

	2017 £'000	2016 £'000
Accommodation	2,374	2,324
College members	345	334
Conferences (including meeting rooms)	1,343	1,263
Catering	421	386
College Members and staff		
Conferences		
Total	4,483	4,307

6a. Analysis of 2016/2017 expenditure by activity

	Staff costs (Note 7) £'000	Other Operating Expenses £'000	Depreciation £'000	2017 Total £'000
Education	1,948	2,326	528	4,802
Residences, catering and conferences	1,926	1,050	1,507	4,483
Other	192	2,579	-	2,771
Total	4,066	5,955	2,035	12,056

6b. Analysis of 2015/2016 expenditure by activity

	Staff costs (Note 7) £'000	Other Operating Expenses £'000	Depreciation £'000	2016 Total £'000
Education	1,911	1,980	511	4,402
Residences, catering and conferences	1,897	948	1,462	4,307
Other	177	2,178	-	2,355
Total	3,985	5,106	1,973	11,064

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

6c. Auditors remuneration

Other operating expenses include:

	2017 £'000	2016 £'000
Audit fees payable to the College's external auditors	17	17
Total	17	17

7. Staff costs

	College Fellows 2017 £'000	Academic 2017 £'000	Non Academic 2017 £'000	Total 2017 £'000	Total 2016 £'000
Staff costs:					
Emoluments	939	131	2,218	3,288	3,207
Social Security costs	89	-	190	279	243
Other pension costs	161	-	338	499	535
Total	1,189	131	2,746	4,066	3,985

	2017	2016
Average number of staff:		
Academic (Full-time)	13	13
Academic (Part-time)	29	30
Non-academic (Full-time)	58	55
Non-academic (Part-time)	82	76
Total	182	174

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

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. During the year there were 3 (2016: 3) members of the key management team and total remuneration and benefits were £241,000 (2016: £207,000).

**NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017****7. 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 one Trustee and two independent members.

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

From	To	Number
£1	£10,000	20
£10,001	£20,000	7
£20,001	£30,000	2
£30,001	£40,000	-
£40,001	£50,000	2
£50,001	£60,000	-
£60,001	£70,000	3
£70,001	£80,000	2
£80,001	£90,000	1
£90,001	£100,000	-
Total		37

The total Trustee salaries were £789,000 for the year. 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 £144,000.

The Trustees also received grants from the College towards their research totalling £35,000.

Travel and other business expenses reimbursed by Trustees in their capacity as officers of the College totalled £27,000.

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

One Trustee had an outstanding loan balance of £1,400 at the year end (2016: £2,000) under an approved House Loan Scheme. The loan never exceeded £2,000 during the year.

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

8. Fixed assets

Group	Land and buildings £'000	Equipment £'000	2017 Total £'000	2016 Total £'000
Cost/valuation				
At beginning of year	120,180	1,312	121,492	116,638
Additions	2,527	113	2,640	4,997
Disposals	(554)	-	(554)	(143)
At end of year	122,153	1,425	123,578	121,492
Accumulated depreciation				
At beginning of year	3,813	321	4,134	2,304
Charge for the year	1,894	143	2,037	1,973
Eliminated on disposals	(2)	-	(2)	(143)
At end of year	5,705	464	6,169	4,134
Net book value				
At 30 June 2017	116,448	961	117,409	117,358
At 1 July 2016	116,367	991	117,358	114,334
College	Land and buildings £'000	Equipment £'000	2017 Total £'000	2016 Total £'000
Cost/valuation				
At 1 July 2016	118,975	577	119,552	114,698
Additions	2,527	113	2,640	4,997
Disposals	(554)	-	(554)	(143)
At 30 June 2017	120,948	690	121,638	119,552
Accumulated depreciation				
At 1 July 2016	3,556	266	3,822	2,017
Charge for the year	1,869	143	2,012	1,948
Elimination on disposals	(2)	-	(2)	(143)
At 30 June 2017	5,423	409	5,832	3,822
Net book value				
At 30 June 2017	115,525	281	115,806	115,730
At 1 July 2016	115,419	311	115,730	112,681

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

8. Fixed assets (continued)

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.

9. Investments

	Group 2017 £'000	College 2017 £'000	Group 2016 £'000	College 2016 £'000
Balance at 1 July 2016	218,407	224,176	208,402	214,166
Additions	28,237	28,237	8,355	8,355
Disposals	(8,219)	(8,219)	(6,953)	(6,953)
Gain/(Loss)	15,378	15,104	8,765	8,770
Increase/(decrease) in cash balances held at fund managers	(2,427)	(2,427)	(162)	(162)
Balance at 31 June 2017	251,376	256,871	218,407	224,176

	Group 2017 £'000	College 2017 £'000	Group 2016 £'000	College 2016 £'000
Represented by:				
Property	179,997	179,232	153,025	152,260
Pooled Property Funds	10,779	15,018	10,594	10,594
Quoted securities – securities	54,563	54,563	47,834	47,834
Loans and fixed interest securities	4,239	-	2,812	2,812
Investment in subsidiary undertakings	-	6,640	-	6,640
Cash in hand and at investment managers	1,418	1,418	4,036	4,036
Other investments	380	-	106	-
	251,376	256,871	218,407	224,176

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

The investment properties were valued by Knight Frank LLP and Bidwells LLP as at 30 June 2017.

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

PEL develops property and holds property for rental. Any taxable revenue surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2017 the company had share capital and reserves totalling £405,127 and the loss after tax for the year then ended was £16,427.

PLCL provides library services to the College. At 30 June 2017 the company had a surplus on members reserves totalling £778,347 and the net income for the year then ended were £65,935.

PCEL runs conference and events facilities. Any taxable surplus is paid, under the Gift Aid scheme, to the College. At 30 June 2017 the company had share capital and reserves totalling £1 and the net result for the year then ended was £0.

The Group has an investment through Manor Farm Stretham LLP in a residential housing development in Cambridgeshire. PEL holds an investment at cost of £106k in the LLP. Manor Farm Stretham LLP had borrowed on commercial terms £4,239k at 30 June 2017 from the College.

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

10. Stocks and work in progress

	Group 2017 £'000	College 2017 £'000	Group 2016 £'000	College 2016 £'000
Work in progress	-	-	131	-
Other stocks	366	366	376	376
	<u>366</u>	<u>366</u>	<u>507</u>	<u>376</u>

11. Trade and other receivables

	Group 2017 £'000	College 2017 £'000	Restated Group 2016 £'000	Restated College 2016 £'000
Members of the College	328	328	230	230
Amount due from subsidiary undertaking	-	1,175	-	1,502
Other receivables	1,281	1,269	652	694
Prepayments and accrued income	859	859	890	888
Total	<u>2,468</u>	<u>3,631</u>	<u>1,772</u>	<u>3,314</u>

12. Cash and cash equivalents

	Group 2017 £'000	College 2017 £'000	Group 2016 £'000	College 2016 £'000
Bank deposits	1,815	1,268	2,639	1,722
Current accounts	92	85	58	50
Total	<u>1,907</u>	<u>1,353</u>	<u>2,697</u>	<u>1,772</u>

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

13. Creditors: amounts falling due within one year

	Group 2017 £'000	College 2017 £'000	Restated Group 2016 £'000	Restated College 2016 £'000
Bank overdraft	53	49	226	222
Members of the College	151	151	113	113
Amounts due to subsidiary undertakings	-	40	-	20
Bank loans	6,000	6,000	-	-
University fees	511	511	234	234
Contribution to Colleges Fund	228	228	360	360
Other Creditors (e.g. VAT)	859	786	675	543
Accruals and deferred income	1,278	1,283	1,541	1,646
Total	9,080	9,048	3,149	3,138

There is also a revolving credit facility with the bank for £6 million which bears interest at approximately 0.65% above the LIBOR rate. During the year and at the year end the effective interest rate was therefore 1.03%.

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

	Group 2017 £'000	College 2017 £'000	Restated Group 2016 £'000	Restated College 2016 £'000
Amounts due to subsidiary undertakings	-	6,049	-	5,809
Bank loans	36,000	36,000	26,100	26,100
	36,000	42,049	26,100	31,909

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

£12 million term loan due for repayment by 30/06/2021. The loan bears fixed interest rates of 1.42%.

£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.

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

15. Pension Provisions

	Group 2017 £'000	College 2017 £'000	Group 2016 £'000	College 2016 £'000
Balance at 1 July 2016	3,401	3,401	3,209	3,209
Movement in year:				
Current service cost including life assurance	435	435	490	490
Contributions	(374)	(374)	(392)	(392)
Other finance cost	93	93	118	118
Actuarial gain recognised in Statement of Comprehensive Income and Expenditure	714	714	(24)	(24)
Balance at 30 June 2017	4,269	4,269	3,401	3,401

Split as follows:

CCFPS Pension Provisions

	Group 2017 £'000	College 2017 £'000	Group 2016 £'000	College 2016 £'000
Balance at 1 July 2016	3,119	3,119	2,931	2,931
Movement in year:				
Current service cost including life assurance	254	254	335	335
Contributions	(196)	(196)	(232)	(232)
Other finance cost	88	88	109	109
Actuarial gain recognised in Statement of Comprehensive Income and Expenditure	714	714	(24)	(24)
Balance at 30 June 2017	3,979	3,979	3,119	3,119

USS Pension Provisions

	Group 2017 £'000	College 2017 £'000	Group 2016 £'000	College 2016 £'000
Balance at 1 July 2016	282	282	278	278
Movement in year:				
Current service cost including life assurance	181	181	155	155
Contributions	(178)	(178)	(160)	(160)
Other finance cost	5	5	9	9
Balance at 30 June 2017	290	290	282	282

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

16. Endowment funds

Restricted net assets relating to endowments are as follows:

	Restricted Permanent endowments £'000	2017 Total £'000	2016 Total £'000
Group and College			
Balance at beginning of year			
Capital	12,932	12,932	12,175
New donations and endowments	13	13	338
Increase in market value of investments	1,807	1,807	419
Balance at end of the year	14,752	14,752	12,932
Analysis by type of purpose:			
Research, studentship, scholarship funds	11,808	11,808	10,360
Student hardship	2,019	2,019	1,760
Prizes	401	401	352
Travel grants	318	318	279
Library fund	62	62	54
Garden fund	130	130	115
Kelvin fund	14	14	12
	14,752	14,752	12,932
Analysis by asset			
Investments	14,752	14,752	12,932

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

17. Restricted Reserves

Reserves with restrictions are as follows:

Group and College

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2017 Total £'000	2016 Total £'000
Balance at beginning of year				
Capital	-	5,117	5,117	4,336
Accumulated income	245	-	245	217
New grants	-	7	7	-
New donations	-	588	588	422
Transfers	-	-	-	599
Transfers of income	(420)	420	-	-
Endowment return transfer	-	-	-	-
Other investment income	441	19	460	457
Increase in market value of investments	-	57	57	23
Expenditure	-	(811)	(811)	(692)
Balance at end of year	266	5,397	5,663	5,362

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

	Permanent and other unspent restricted income £'000	Restricted expendable endowment £'000	2017 Total £'000	2016 Total £'000
Music	-	122	122	83
Works of art	-	10	10	8
Research, studentship, scholarship funds	162	438	600	372
Student hardship	95	116	211	211
Boat club fund	-	275	275	224
Cricket club	-	3	3	3
Prizes	9	3	12	8
Perne library	-	6	6	22
Travel grants	-	2	2	4
Library fund	-	19	19	16
Chapel	-	711	711	685
Lectures	-	47	47	47
Buildings fund	-	3,645	3,645	3,679
	266	5,397	5,663	5,362

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

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

	2017	Restated
	£'000	2016
		£'000
Surplus for the year	16,765	10,270
Adjustment for non-cash items:		
Depreciation	2,037	1,973
Gain on endowments	(15,378)	(8,603)
Decrease in stock	141	26
Increase in trade and other receivables	(696)	(48)
Increase in creditors	104	94
Pension costs less contributions payable	154	218
Non cash gifts	(200)	-
Adjustment for investing or financing activities:		
Investment Income	(7,442)	(6,918)
Loan interest payable	1,422	1,177
Bond interest payable	(341)	-
Net cash outflow from operating activities	(3,434)	(1,811)

19. Cash flows from investing activities

	2017	Restated
	£'000	2016
		£'000
Proceeds from sales of non-current fixed assets	893	-
Non-current investment disposal	10,681	6,953
Investment income	7,442	6,918
Endowment funds invested	(28,037)	(8,355)
Payments to acquire tangible fixed assets	(2,640)	(4,997)
Total cash flows from investing activities	(11,661)	519

20. Cash flows from financing activities

	2017	Restated
	£'000	2016
		£'000
Interest paid	(1,422)	(1,177)
Bond Interest paid		
New secured loans	18,000	-
Repayment of amounts borrowed	(2,100)	(400)
Net cash inflow / (outflow) from financing activities	14,478	(1,577)

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

21. Analysis of cash and cash equivalents

	At beginning of year £'000	Cash flows £'000	At end of year £'000
Bank overdraft	(226)	173	(53)
Cash at bank and in hand	2,697	(790)	1,907
Net Funds	2,471	(617)	1,854

22. Pension Schemes

Universities Superannuation Scheme (USS)

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method.

Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

	2017	2016
Discount rate	2.57%	3.6%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.41%	2.2%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	98% of S1NA ["light"] YoB tables – no age rating
Female members' mortality	99% of S1NA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% p.a. long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2017	2016
Males currently aged 65 (years)	24.4	24.3
Females currently aged 65 (years)	26.6	26.5
Males currently aged 45 (years)	26.5	26.4
Females currently aged 45 (years)	29.0	28.8
Scheme assets	£60.0bn	£49.8bn
Total scheme liabilities	£77.5bn	£58.3bn
FRS 102 total scheme deficit	£17.5bn	£8.5bn
FRS 102 total funding level	77%	85%

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

22. Pension Schemes (continued)

Cambridge Colleges Federated Pension Scheme (CCFPS)

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

The liabilities of the plan have been calculated for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, at 31 March 2014 but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

The principal actuarial assumptions at the balance sheet date (expressed as weighted averages) were as follows:

	30 June 2017	30 June 2016
	% p.a.	% p.a.
Discount rate	2.6	2.8
Increase in salaries	2.84	2.4
Retail Prices Index (RPI) assumption	3.35	2.9
Consumer Prices Index (CPI) assumption	2.35	1.9
Pension increases in payment (RPI max 5% p.a.)	3.25	2.7
Pension increases in payment (CPI max 2.5% p.a.)	1.85	1.7

The underlying mortality assumption is based upon the standard table known as S2PA on a year of birth usage with CMI_2015 future improvement factors and a long-term rate of future improvement of 1% p.a. (2015: same base table with CMI_2014 future improvement factors and a long-term future improvement rate of 1% p.a.). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 22.1 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 23.9 years (previously 23.9 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 23.5 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.4 years (previously 25.4 years).

The amounts recognised in the Balance Sheet as at 30 June 2017 (with comparative figures as at 30 June 2016) are as follows.

	30 June	Restated
	2017	30 June
	£'000	2016
		£'000
Present value of plan liabilities	(14,344)	(12,300)
Market Value of plan assets	10,365	9,181
Net defined benefit liability	(3,979)	(3,119)

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

22. Pension Schemes (continued)

The amounts to be recognised in Profit and Loss for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows.

	30 June 2017 £'000	30 June 2016 £'000
Current service cost	254	335
Interest on net defined benefit liability	88	109
Total	342	444

Changes in the present value of the plan liabilities for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	30 June 2017 £'000	30 June 2016 £'000
Present value of plan liabilities at beginning of period	12,300	11,057
Current service cost (including Employee contributions)	296	398
Benefits paid	(290)	(654)
Interest on plan liabilities	344	404
Actuarial losses	1,694	1,095
Present value of plan liabilities at end of period	14,344	12,300

Changes in the fair value of the plan assets for the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £'000	2016 £'000
Market value of plan assets at beginning of period	9,182	8,125
Contributions paid by the College	196	232
Employee contributions	56	63
Benefits paid	(317)	(654)
Interest on plan assets	256	295
Return on assets, less interest included in Profit & Loss	992	1,120
Market value of plan assets at end of period	10,365	9,181

Actual return on plan assets	1,248	1,415
------------------------------	-------	-------

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2016 (with comparative figures for the year ending 30 June 2015) are as follows:

	2017	2016
Equities	67%	59%
Bonds and cash	27%	35%
Property	6%	6%

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2017

22. Pension Schemes (continued)

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 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £'000	2016 £'000
Actual return less expected return on plan assets	992	1,119
Experience gains and losses arising on plan liabilities	18	79
Changes in assumptions underlying the present value of plan liabilities	(1,724)	(1,175)
Actuarial gain recognised in OCI	(714)	23

Movement in surplus/ (deficit) during the year ending 30 June 2017 (with comparative figures for the year ending 30 June 2016) are as follows:

	2017 £'000	2016 £'000
Surplus deficit in Scheme at beginning of the year	(3,119)	(2,931)
Recognised in Profit and Loss	(342)	(444)
Contributions paid by the College	196	232
Actuarial gain recognised in OCI	(714)	24
Surplus deficit in plan at the end of the year	(3,979)	(3,119)

Funding Policy

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

The last such valuation was as at 31 March 2014. 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 are incorporated into the plan's Schedule of Contributions dated 3 June 2016 and are as follows:

- Annual contributions of not less than £11,575 p.a. payable for the period from 1 July 2016 to 31 March 2034.

These payments are subject to review following the next funding valuation, due as at 31 March 2018.

Stakeholder Scheme

The College also operates a defined contribution scheme under the stakeholder rules for employees. The pension charge for the year was £64k (2016: £44k).

The total pension cost for the College for the year to 30 June 2017 shown in note 8 was as follows:

	2017 £'000	2016 £'000
USS: Charged to Income and Expenditure Account	181	156
CCFPS: Charged to Income and Expenditure Account	254	335
CCGPS: Defined Contribution Scheme Employer contributions	64	44
	499	535

PETERHOUSE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2017

23. Capital Commitments

	2017 £'000	2016 £'000
Capital commitment at 30 June 2017 are as follows:		
Authorised and contracted	1,250	901

24. Operating Leases - Lessor

At 30 June 2017 the College had granted non-cancellable operating leases in respect of its freehold investment properties as follows:

	2017 £'000	2016 £'000
Expiring within one year	976	887
Expiring between two and five years	2,029	1,558
Expiring in over five years	1,648	1,779
	4,653	4,224

25. 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 2017 have been consolidated within these accounts.

26. Post balance sheet events

On 14 July 2017 the College exchanged contracts with a third party to sell freehold land for a total net sum (excluding VAT) of £17,390,000. Under the terms the land is to be drawn down and paid for in three tranches. Completion for the first tranche took place on the 11 August 2017 and the College received net consideration (excluding VAT) of £4,106,000. Net consideration (excluding VAT) for the second tranche (£6,642,000) is due on 11 August 2018 and net consideration (excluding VAT) for the third tranche (£6,642,000) is due on 11 August 2019. In addition, on 14 July 2017 the College exchanged a conditional contract for the sale of land to a different third party at a net price of £1,983,000.

