

PETERHOUSE

**FOR THE YEAR ENDED
30 JUNE 2023**

**PETERHOUSE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Contents

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

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

Address

Peterhouse
Trumpington Street
Cambridge
CB2 1TP

Charity Registration number: 1137457

Members of the Governing Body who served during the year

Ms B Kendall MBE (Master)

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

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

Current Senior Administrative Officers

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

Principal Legal Advisers

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

Property Managers

Bidwells LLP
Trumpington Road
Cambridge
CB2 9LD

Encore Group
2 Hills Road
Cambridge
CB2 1JP

Investment Advisors/ Fund Custodian

Cantab Asset Management Ltd
50 Station Road
Cambridge
CB1 2JH

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

Auditors

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

Bankers

Barclays Bank PLC
Cambridge Business Centre
Cambridge
CB2 3PZ

Tax Advisor

PEM
Salisbury House,
Station Road
Cambridge
CB1 2LA

PETERHOUSE OPERATING REVIEW FOR THE YEAR ENDED 30 JUNE 2023

Introduction

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

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

Scope of the Financial Statements

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

About the College

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

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

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

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

The Visitor of the College is the Bishop of Ely.

Aims and objectives of the College

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

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

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

PETERHOUSE OPERATING REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2023

Public benefit

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

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

Funding

The sources of income of Peterhouse are:

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

Achievements and performance

Education

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

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

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

PETERHOUSE OPERATING REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2023

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

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

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

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

Research

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

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

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

Religion

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

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

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

**PETERHOUSE
FINANCIAL REVIEW
FOR THE YEAR ENDED 30 JUNE 2023**

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

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

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

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

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

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

* includes gains on investments applied to income

**PETERHOUSE
FINANCIAL REVIEW CONTINUED
FOR THE YEAR ENDED 30 JUNE 2023**

Income/Expenditure

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

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

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

Staff costs and pensions

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

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

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

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

Capital expenditure

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

PETERHOUSE
FINANCIAL REVIEW CONTINUED
FOR THE YEAR ENDED 30 JUNE 2023

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

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

Endowment and investment performance

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

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

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

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

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

PETERHOUSE FINANCIAL REVIEW CONTINUED FOR THE YEAR ENDED 30 JUNE 2023

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

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

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

Reserves

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

Risk Management

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

Fundraising

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

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

Principal risks and uncertainties

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

**PETERHOUSE
FINANCIAL REVIEW CONTINUED
FOR THE YEAR ENDED 30 JUNE 2023**

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

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

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

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

Plans for the future

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

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

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

1. The following statement is provided by the Governing Body to enable readers of the financial statements to obtain a better understanding of the arrangements in the College for the management of its resources and for audit.
2. The College is a registered charity (registered number No. 1137457) and subject to regulation by the Charity Commission for England and Wales. The members of the Governing Body are the charity trustees and are responsible for ensuring compliance with charity law.
3. The Trustees are Governing Body which is advised in carrying out its duties by a number of Committees.
 - a. Governance Committee
 - b. Remuneration Committee
 - c. Finance Committee
 - d. Estates and Investments Committee
 - e. Development Committee
 - f. Education Committee
 - g. Admissions Committee
 - h. Examination Failures Committee
 - i. Grants Committee
 - j. Honorary & Visiting Fellowships Committee
 - k. Research Studentships Committee
 - l. Research Fellowships Committee
 - m. Travel Grants Committee
 - n. Charitable Applications Committee
 - o. Co-Ordinating Committee
 - p. Peterhouse Boat Club Fund Management Committee
 - q. Staff Committee
 - r. Food and Wine Committee
 - s. Buildings, Fabric and Gardens Committee
 - t. IT Committee
4. The principal administrative Officers of the College are the Master, the Senior Bursar, and the Senior Tutor.
5. It is the duty of the Finance Committee to keep under review the effectiveness of the College's internal system of financial and other controls; to advise the Governing Body on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the auditors; to make an annual report to the Governing Body. Membership of the Finance Committee includes: the Chairman (a Fellow of the College), Senior Tutor, Senior Bursar and several other Fellows of the College.
6. There are Registers of Interests of Members of the Governing Body, the Finance Committee and of the senior administrative officers. Declarations of interest are routinely made at all College committee meetings.
7. The College's Trustees (Members of the Governing Body) during the year ended 30 June 2023 are set out on page 2.
8. The Trustees are the Governing Body which is responsible for maintaining a sound system of internal control that supports the achievement of policy, aims and objectives while safeguarding the public and other funds and assets for which the Governing Body is responsible, in accordance with the College's Statutes.
9. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it therefore provides reasonable but not absolute assurance of effectiveness.
10. The system of internal control is designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process was in place for the year ended 30 June 2023 and up to the date of approval of the financial statements.

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

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

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

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

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

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

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

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

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

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



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



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

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

Opinion

We have audited the financial statements of Peterhouse College (the 'College') and its subsidiaries (the 'group') for the year ended 30 June 2023 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Consolidated Statement of Changes in Reserves, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and College's affairs as at 30 June 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011 and the Statutes of the University of Cambridge; and
- the contribution due from the College to the University has been correctly computed as advised in the provisional assessment by the University of Cambridge and in accordance with the provisions of Statute G,II, of the University of Cambridge.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the report of the Governing Body, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

FOR THE YEAR ENDED 30 JUNE 2023

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

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

- We reviewed systems and procedures to identify potential areas of management override risk. In particular, we carried out testing of journal entries and other adjustments for appropriateness.
- We reviewed minutes of Finance, College Council and Governing Body meetings and agreed the financial statement disclosures to underlying supporting documentation.
- We have made enquiries of management and officers of the College regarding laws and regulations applicable to the organization.
- We reviewed the risk management processes and procedures in place including reporting of risk management to the College Council.

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

FOR THE YEAR ENDED 30 JUNE 2023

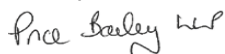
- We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates, including the valuation of investments

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

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

Use of our report

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



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

Date: 27 November 2023

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

PETERHOUSE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2023

Statement of Principal Accounting Policies

Basis of preparation

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

The Statement of Comprehensive Income and Expenditure includes activity analysis in order to demonstrate that all fee income is spent for educational purposes. The analysis required by the SORP is set out in note 5.

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

Basis of accounting

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

Basis of consolidation

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

Recognition of income

Academic fees

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

Grant income

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

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

Donations and endowments

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

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

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

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

**PETERHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2023**

Statement of Principal Accounting Policies (continued)

Recognition of income (continued)

Donations and endowments (continued)

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

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

Investment income and change in value of investment assets

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

Total return

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

Other income

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

Foreign currency translation

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

Fixed assets

Land and buildings

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

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

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

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

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

**PETERHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2023**

Statement of Principal Accounting Policies (continued)

Fixed assets (continued)

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

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

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Heritage assets

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

Investments

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

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

Stocks

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

Debtors

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

Cash and Cash Equivalents

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

Creditors

Short term creditors are measured at the transaction price.

**PETERHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2023**

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 2023

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 2023**

Statement of Principal Accounting Policies (continued)

Pension costs

Universities Superannuation Scheme (USS)

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

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

Cambridge Colleges Federated Pension Scheme (CCFPS)

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

Other pension schemes

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

Critical accounting estimates and areas of judgement

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

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

PETETHOUSE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES
FOR THE YEAR ENDED 30 JUNE 2023

Pension costs (continued)

Critical accounting estimates and areas of judgement (continued)

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

Employment benefits

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

Legacy accounting

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

Reserves

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

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

PETERHOUSE

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

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

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

PETERHOUSE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 30 JUNE 2023

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

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

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

PETERHOUSE
CONSOLIDATED AND COLLEGE BALANCE SHEET
AS AT 30 JUNE 2023

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


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

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



Professor M.A. Parker

Master



Mr I.N.M. Wright

Senior Bursar

PETERHOUSE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

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

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

PETERHOUSE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023

1. Academic fees and charges

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

2. Income from accommodation, catering and conferences

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

3. Total return and investment income

3a. Analysis

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

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

3b. Summary of total return

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

3.c Investment management costs

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

4. Other Income

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

5. Education expenditure

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

6. Accommodation, catering and conferences expenditure

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

7a. Analysis of 2022/2023 expenditure by activity

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

7b. Analysis of 2021/2022 expenditure by activity

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

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

7c. Auditors remuneration

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

8. Staff and external teaching costs

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

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

	College Fellows	Academic	Non Academic	Total
	2022	2022	2022	2022
	£'000	£'000	£'000	£'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).

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

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

Key Management Personnel

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

8. Staff costs (continued)

Trustees Remuneration

No Trustee is remunerated for being a Trustee.

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

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

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

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

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

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

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

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

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

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

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

9. Fixed assets

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

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

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

10. Investments

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

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

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

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

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

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

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

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

11. Stocks and work in progress

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

12. Trade and other receivables

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

13. Cash and cash equivalents

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

14. Creditors: amounts falling due within one year

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

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

	Group 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Bank loans	24,000	24,000	24,000	24,000
Other loans	1,887	1,887	1,887	1,887
	<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 2023 £'000	College 2023 £'000	Group 2022 £'000	College 2022 £'000
Balance at beginning of year	2,962	2,962	5,497	5,497
Movement in year:				
Current service cost including life assurance	365	365	1,228	1,228
Contributions	(573)	(573)	(552)	(552)
Other finance cost	114	114	99	99
Actuarial gain recognised in Statement of Comprehensive Income and Expenditure	(213)	(213)	(3,310)	(3,310)
Balance at end of year	2,655	2,655	2,962	2,962

Split as follows:

**CCFPS
Pension Provisions**

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

16. Pension Provisions (continued)

USS

Pension Provisions

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

17. Endowment funds

Restricted net assets relating to endowments are as follows:

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

17. Endowment funds (continued)

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

18. Restricted Reserves

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

Group and College

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

18. Restricted Reserves (continued)

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

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

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

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

20. Cash flows from investing activities

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

21. Cash flows from financing activities

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

22. Analysis of cash and cash equivalents

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

23. Pension Schemes

Universities Superannuation Scheme (USS)

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

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

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

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

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

23. Pension Schemes (continued)

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

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

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

2020 valuation

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

The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

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

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

Cambridge Colleges Federated Pension Scheme (CCFPS)

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

The liabilities of the plan have been calculated, at 30 June 2023, for the purposes of FRS102 using a valuation system designed for the Management Committee, acting as Trustee of the Cambridge Colleges' Federated Pension Scheme, but allowing for the different assumptions required under FRS102 and taking fully into consideration changes in the plan benefit structure and membership since that date.

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

23. Pension Schemes (continued)

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

	30 June 2023	30 June 2022
	% p.a.	% p.a.
Discount rate	5.20	3.80
Increase in salaries	3.30	3.25
Retail Prices Index (RPI) assumption	3.40*	3.45*
Consumer Prices Index (CPI) assumption	2.80*	2.75*
Pension increases in payment (RPI max 5% p.a.)	3.30*	3.30*
Pension increases in payment (CPI max 2.5% p.a.)	2.05*	2.05*

* For 1 year only, we have assumed that RPI will be 9% and CPI will be 7% (2022: 11% and 9% respectively). The caps under the Rules are applied to assumed pension increases.

The underlying mortality assumption is based upon the standard table known as S3PA on a year of birth usage with CMI_2022 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements(2022: S3PA on a year of birth usage with CMI_2021 future improvement factors and a long-term rate of future improvement of 1.25% per annum, a standard smoothing factor (7.0) and no allowance for additional improvements). This results in the following life expectancies:

- Male age 65 now has a life expectancy of 21.4 years (previously 21.9 years).
- Female age 65 now has a life expectancy of 23.9 years (previously 24.3 years).
- Male age 45 now and retiring in 20 years has a life expectancy of 22.6 years (previously 23.2 years).
- Female age 45 now and retiring in 20 years has a life expectancy of 25.3 years (previously 25.7 years).

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

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

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

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

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

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

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

23. Pension Schemes (continued)

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

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

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

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

The major categories of plan assets as a percentage of total plan assets for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

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

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

Analysis of the re-measurement of the net defined benefit liability recognised in Other Comprehensive Income (OCI) for the year ending 30 June 2023 (with comparative figures for the year ending 30 June 2022) are as follows:

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

23. Pension Schemes (continued)

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

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

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 funding valuation as at 31 March 2023.

Stakeholder Scheme

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

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

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

24. Capital Commitments

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

25. Operating Leases

Operating Leases - Lessor

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

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

Operating Leases – Lessee

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

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

26. Consolidated reconciliation and analysis of net debt

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

PETERHOUSE
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

27. Related Party Transactions

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

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

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

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

28. Contingent Liability

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