NOTES TO THE ACCOUNTS

	2013 £m	2012 £m
1 Funding body grants		
Higher Education Funding Council for England (HEFCE)		
Recurrent grant	**167.4**	175.5
Specific grants	**1.8**	5.5
Deferred capital grant released in year (see note 22)		
Equipment	**2.3**	2.9
Buildings	**12.2**	11.1
HEFCE total	**183.7**	195.0
Teaching Agency: Recurrent grant	**0.1**	2.3
	183.8	197.3

2 Academic fees and support grants

	2013 £m	2012 £m
Full-time home / EU students	**72.6**	52.7
Full-time overseas (non-EU) students	**62.9**	52.3
Other course fees	**20.8**	22.0
Research Training Support Grants	**26.4**	22.2
	182.7	149.2

3 Income: research grants and contracts

	2013 £m	2012 £m
Research councils	**105.7**	105.3
UK-based charities	**104.5**	87.8
Other bodies	**121.6**	100.3
	331.8	293.4

Total research grants and contracts income excludes grants of £12.8m (2012: £7.7m) for the purchase of equipment but includes £11.1m (2012: £9.7m) released from deferred capital grants to match depreciation of which £7.6m (2012: £6.1m) related to equipment. See note 22.

4 Examination and assessment services

	2013 £m	2012 £m
Examination fees	**290.3**	279.7
Other examination and assessment services	**26.5**	19.9
	316.8	299.6

5 Other income

	2013 £m	2012 £m
Other services rendered	**36.5**	34.3
Health and hospital authorities	**17.4**	17.0
Residences, catering, and conferences	**8.4**	8.8
Income from intellectual property	**9.4**	10.9
Released from deferred capital grants (see note 22)	**11.5**	8.5
Unrestricted donations	**13.9**	14.3
Rental income	**8.2**	7.9
Donations of, and for the purchase of, heritage assets	**15.6**	5.6
Gain on disposal of tangible fixed assets	**5.5**	–
Sundry income	**13.6**	15.2
	140.0	122.5

Notes to the accounts (*continued*)

6 Endowment and investment income

	Credited to funds as income £m	**Excess over income £m**	**Underlying income 2013 £m**	2012 £m
Income from expendable endowment asset investments	**13.6**	**(10.9)**	**2.7**	2.7
Income from permanent endowment asset investments	**29.3**	**(24.0)**	**5.3**	5.9
Income from fixed asset investments	**34.3**	**(25.9)**	**8.4**	7.2
Other investment income	**3.6**	**–**	**3.6**	3.1
	80.8	**(60.8)**	**20.0**	18.9

The University operates a unitized fund, the Cambridge University Endowment Fund (CUEF), for long-term investment in respect of individual restricted endowments and other balances, and by other Group undertakings. The CUEF is managed on a total return basis and invests in asset classes some of which generate little or no income. Distributions are made to unit-holding funds according to a formula which has regard to the total return reasonably to be expected in the long term, in proportion to the number of units held. Investing funds receive distributions as income. In the year ended 31 July 2013, distributions by the CUEF exceeded income received in the year by the CUEF from its underlying investments by £60.8m (2012: £54.0m), the balance of the distributions being funded by drawing on long-term capital growth.

See note 25 for further information on the investments held by the CUEF.

7 Staff costs

	2013 £m	2012 £m
Wages and salaries	**469.4**	442.4
Social security costs	**42.4**	39.8
Pension costs (see note 30)	**93.1**	96.4
	604.9	578.6

Remuneration of the Vice-Chancellor	**2013 £000**	2012 £000
Remuneration excluding employer's pension contributions	**289**	271
Employer's pension contributions	**45**	43
	334	314

Notes to the accounts (*continued*)

7 Staff costs (continued)

Remuneration of higher paid staff

Remuneration for this purpose excludes employer's pension contributions except to the extent that these result from the sacrifice of an element of pay. The numbers in each band have been analyzed by segment (see note 10).

	Education and research		Assessment	2013	2012
	Clinical	Non-Clinical	and Press	Total	Total
£100,001 – £110,000	**18**	**41**	**18**	**77**	60
£110,001 – £120,000	**11**	**23**	**7**	**41**	46
£120,001 – £130,000	**4**	**18**	**10**	**32**	40
£130,001 – £140,000	**10**	**14**	**8**	**32**	19
£140,001 – £150,000	**11**	**10**	**4**	**25**	19
£150,001 – £160,000	**15**	**4**	**–**	**19**	19
£160,001 – £170,000	**6**	**3**	**2**	**11**	15
£170,001 – £180,000	**8**	**3**	**2**	**13**	12
£180,001 – £190,000	**3**	**3**	**2**	**8**	7
£190,001 – £200,000	**5**	**2**	**1**	**8**	6
£200,001 – £210,000	**3**	**–**	**1**	**4**	2
£210,001 – £220,000	**1**	**2**	**–**	**3**	1
£220,001 – £230,000	**2**	**–**	**1**	**3**	3
£230,001 – £240,000	**1**	**–**	**–**	**1**	2
£240,001 – £250,000	**–**	**1**	**–**	**1**	–
£250,001 – £260,000	**–**	**2**	**2**	**4**	1
£260,001 – £270,000	**–**	**–**	**1**	**1**	–
£270,001 – £280,000	**–**	**–**	**–**	**–**	1
£280,001 – £290,000	**–**	**2**	**–**	**2**	–
£290,001 – £300,000	**–**	**–**	**1**	**1**	–
£300,001 – £310,000	**–**	**–**	**–**	**–**	1
£320,001 – £330,000	**–**	**1**	**–**	**1**	–
£330,001 – £340,000	**–**	**–**	**–**	**–**	3
£340,001 – £350,000	**–**	**–**	**–**	**–**	2
£350,001 – £360,000	**–**	**–**	**1**	**1**	–
£410,001 – £420,000	**–**	**1**	**–**	**1**	–

The above statistics include additional payments to employees of the University on behalf of NHS bodies.

Compensation for loss of office

Aggregate payments for compensation for loss of office paid to senior members of staff earning in excess of £100,000 per annum (five in 2012–13, four in 2011–12):

	2013	2012
	£000	£000
Payments in respect of loss of office	**777**	828

Notes to the accounts (*continued*)

8 Analysis of expenditure by activity	**Staff costs**	**Other operating expenses**	**Depreciation**	**Interest payable**	**2013 Total**	2012
	£m	**£m**	**£m**	**£m**	**£m**	£m
Academic departments	**204.1**	**54.4**	**5.1**	**–**	**263.6**	251.4
Academic services	**25.6**	**15.1**	**0.7**	**–**	**41.4**	39.3
Payments to Colleges (see note 33)	**–**	**43.3**	**–**	**–**	**43.3**	41.6
Research grants and contracts	**145.3**	**126.1**	**11.2**	**–**	**282.6**	250.5
Other activities						
Examination and assessment services	**85.5**	**172.8**	**13.2**	**–**	**271.5**	247.3
Publishing and printing services	**78.7**	**167.9**	**8.0**	**4.3**	**258.9**	249.8
Other services rendered	**7.9**	**23.4**	**0.1**	**–**	**31.4**	28.5
Intellectual property	**2.4**	**3.3**	**–**	**–**	**5.7**	6.9
Residences, catering, and conferences	**2.1**	**8.0**	**–**	**–**	**10.1**	10.5
Other activities total	**176.6**	**375.4**	**21.3**	**4.3**	**577.6**	543.0
Administration and central services						
Administration	**37.7**	**1.4**	**2.0**	**–**	**41.1**	44.6
General educational	**2.3**	**50.1**	**0.1**	**–**	**52.5**	49.8
Staff and student facilities	**3.4**	**1.6**	**–**	**–**	**5.0**	4.7
Development office	**3.2**	**4.1**	**–**	**–**	**7.3**	7.1
Other	**8.8**	**2.2**	**–**	**–**	**11.0**	6.1
Administration and central services total	**55.4**	**59.4**	**2.1**	**–**	**116.9**	112.3
Premises	**11.5**	**40.7**	**36.7**	**–**	**88.9**	81.8
Interest payable on bond liabilities	**–**	**–**	**–**	**10.5**	**10.5**	–
Pension cost adjustments for CPS (see note 30)	**(13.7)**	**–**	**–**	**3.9**	**(9.8)**	(2.4)
Total per income and expenditure account	**604.8**	**714.4**	**77.1**	**18.7**	**1,415.0**	1,317.5

The depreciation charge has been funded by:

Deferred capital grants (see note 22)	**33.4**
Revaluation reserve (see note 24)	**6.1**
General income	**37.6**
	77.1

Other operating expenses include:	**2013**	2012
	£000	£000
Auditors' remuneration		
Audit fees payable to the University's external auditors	**729**	738
Other fees payable to the University's external auditors	**312**	293
Audit fees payable to other firms	**79**	96
Payments to trustees		
Reimbursement of expenses to three (2012: two) external members of Council	**4**	5

These amounts include related irrecoverable VAT.

9 Surplus on continuing operations	**2013**	2012
	£m	£m
The surplus on continuing operations for the year is made up as follows:		
University's surplus for the year	**43.4**	3.3
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	**4.9**	2.9
Surplus dealt with in the accounts of the University	**48.3**	6.2
Group level adjustments re defined benefit schemes	**9.9**	2.3
Deficit retained in subsidiary undertakings	**(35.1)**	(3.9)
	23.1	4.6

Notes to the accounts (continued)

10 Segmental reporting

The Group consisting of the University and its subsidiary undertakings has three principal classes of activity:

Education and research

Assessment Examination and assessment services, carried out by the University of Cambridge Local Examinations Syndicate and subsidiary undertakings, collectively known as Cambridge Assessment

Press Publishing and printing services, carried out by the Cambridge University Press Syndicate and subsidiary undertakings

Income, result for the year and net assets at the year end are attributable to the three segments as follows:

	Segment total income	**Inter-segment income**	**Income from third parties**	**(Deficit) / surplus**	**Net assets**
	£m	**£m**	**£m**	**£m**	**£m**
Year ended 31 July 2013					
Education and research	**856.3**	**17.5**	**838.8**	**(38.2)**	**2,963.8**
Assessment	**324.2**	**–**	**324.2**	**36.7**	**356.6**
Press	**275.2**	**–**	**275.2**	**14.8**	**44.1**
	1,455.7	**17.5**	**1,438.2**	**13.3**	**3,364.5**
Unallocated re Contributory Pension Scheme	**–**	**–**	**–**	**9.8**	**(291.1)**
Group	**1,455.7**	**17.5**	**1,438.2**	**23.1**	**3,073.4**
Year ended 31 July 2012					
Education and research	799.2	33.0	766.2	(23.5)	2,607.2
Assessment	309.0	–	309.0	28.8	294.0
Press	246.9	–	246.9	(3.1)	5.5
	1,355.1	33.0	1,322.1	2.2	2,906.7
Unallocated re Contributory Pension Scheme	–	–	–	2.4	(265.7)
Group	1,355.1	33.0	1,322.1	4.6	2,641.0

11 Intangible fixed assets: goodwill and others

	Group 2013 £m	Group 2012 £m	**University 2013 £m**	University 2012 £m
Opening balance	**4.8**	2.2	**2.2**	1.7
Additions in the year	**3.3**	3.8	**1.9**	1.2
Amortization charge for the year	**(2.6)**	(1.2)	**(0.9)**	(0.7)
Currency adjustments	**–**	–	**–**	–
Closing balance	**5.5**	4.8	**3.2**	2.2

Notes to the accounts (continued)

12 Tangible fixed assets

	Land and buildings £m	Assets in construction £m	Equipment £m	Heritage assets £m	2013 Total £m	2012 Total £m
Group						
Cost or valuation						
At 1 August	**1,294.2**	**86.7**	**285.1**	**42.0**	**1,708.0**	1,626.0
Additions at cost	**11.3**	**69.8**	**27.8**	**16.3**	**125.2**	100.8
Transfers	**92.4**	**(111.7)**	**19.3**	–	–	–
Transfers from fixed asset investments	**15.4**	–	–	–	**15.4**	–
Transfers to fixed asset investments	**(12.0)**	**(2.8)**	–	–	**(14.8)**	–
Disposals	**(12.4)**	–	**(19.1)**	–	**(31.5)**	(18.7)
Currency adjustments	**0.9**	–	**0.2**	–	**1.1**	(0.1)
At 31 July	**1,389.8**	**42.0**	**313.3**	**58.3**	**1,803.4**	1,708.0
Accumulated depreciation						
At 1 August	**333.1**	–	**219.0**	–	**552.1**	496.6
Charge for the year	**44.1**	–	**33.0**	–	**77.1**	71.4
Elimination on transfers to fixed asset investments	**(0.1)**	–	–	–	**(0.1)**	–
Elimination on disposals	**(2.1)**	–	**(17.9)**	–	**(20.0)**	(15.8)
Currency adjustments	**0.1**	–	**0.2**	–	**0.3**	(0.1)
At 31 July	**375.1**	–	**234.3**	–	**609.4**	552.1
Net book value						
At 31 July	**1,014.7**	**42.0**	**79.0**	**58.3**	**1,194.0**	1,155.9
At 1 August	961.1	86.7	66.1	42.0	1,155.9	1,129.4
University						
Cost or valuation						
At 1 August	**1,297.4**	**86.8**	**265.7**	**42.0**	**1,691.9**	1,607.5
Additions at cost	**11.3**	**70.3**	**26.5**	**16.3**	**124.4**	98.7
Transfers	**93.0**	**(112.3)**	**19.3**	–	–	–
Transfers from fixed asset investments	**15.4**	–	–	–	**15.4**	–
Transfers to fixed asset investments	**(12.0)**	**(2.8)**	–	–	**(14.8)**	–
Disposals	**(12.3)**	–	**(10.6)**	–	**(22.9)**	(14.4)
Currency adjustments	**0.9**	–	**0.3**	–	**1.2**	0.1
At 31 July	**1,393.7**	**42.0**	**301.2**	**58.3**	**1,795.2**	1,691.9
Accumulated depreciation						
At 1 August	**335.1**	–	**203.2**	–	**538.3**	481.5
Charge for the year	**44.4**	–	**31.0**	–	**75.4**	69.1
Elimination on transfers to fixed asset investments	**(0.1)**	–	–	–	**(0.1)**	–
Elimination on disposals	**(2.0)**	–	**(9.8)**	–	**(11.8)**	(12.4)
Currency adjustments	**0.1**	–	**0.2**	–	**0.3**	0.1
At 31 July	**377.5**	–	**224.6**	–	**602.1**	538.3
Net book value						
At 31 July	**1,016.2**	**42.0**	**76.6**	**58.3**	**1,193.1**	1,153.6
At 1 August	962.3	86.8	62.5	42.0	1,153.6	1,126.0

Land and buildings includes land totalling £84.1m (2012: £83.7m) which is not depreciated.

The cost to the Group of freehold buildings and assets in construction consists of the cost incurred by the University less the surplus recorded in the accounts of Lynxvale Limited, a subsidiary undertaking, and eliminated on consolidation.

Notes to the accounts (*continued*)

12 Tangible fixed assets (continued)

Heritage assets

The University holds and conserves certain collections, artefacts, and other assets of historical, artistic or scientific importance. Most of these are housed in the University's nationally accredited museums and collections and in its libraries, providing a valuable research and educational resource locally, nationally, and internationally, as well as an unrivalled opportunity to present the University's work to a wide audience. Other collections are held in academic departments or are on display as public art. Major collections include those held by the University Library, a legal deposit, the Botanic Garden, and the Fitzwilliam Museum.

In respect of its major collections, the University's practice, in accordance with the national accreditation standards, is: to preserve, conserve, and manage the objects in its care; to augment the collections where appropriate and within the resources available; to enable and encourage access to and use of the collections for teaching and research; and to enable wide access to and engagement with the collections by members of the public.

As stated in the statement of principal accounting policies, heritage assets acquired since 1 August 1999 have been capitalized. The majority of assets held in the University's collections were acquired before 1 August 1999; because reliable estimates of cost or valuation are not available for these on a cost-benefit basis they have not been capitalized. As a result the total included in the balance sheet is partial.

Additions for the current and previous four years were as follows:	**2013 £m**	2012 £m	2011 £m	2010 £m	2009 £m
Acquisitions purchased with specific donations	**4.0**	0.9	0.1	1.7	–
Value of acquisitions by donation	**11.6**	4.7	1.2	1.8	0.7
Total acquired by, or funded by, donations	**15.6**	5.6	1.3	3.5	0.7
Acquisitions purchased with University funds	**0.7**	0.3	0.1	0.2	–
Total acquisitions capitalized	**16.3**	5.9	1.4	3.7	0.7

13 Fixed asset investments	**Group 2013 £m**	Group 2012 £m	**University 2013 £m**	University 2012 £m
Opening balance	**705.1**	661.2	**529.9**	484.4
Net transfers to tangible fixed assets (see note 12)	**(0.7)**	–	**(0.7)**	–
Other net additions in the year	**228.9**	16.9	**236.4**	26.5
Valuation gains on investments	**166.4**	27.0	**126.6**	19.0
Closing balance	**1,099.7**	705.1	**892.2**	529.9
Represented by:				
CUEF units (see note 25)	**918.1**	647.8	**693.4**	456.5
Property	**66.1**	45.6	**66.1**	45.7
Securities	**100.1**	0.1	**100.1**	0.1
Money market investments	**0.1**	0.4	**0.1**	0.4
Investments in subsidiary undertakings	–	–	**25.4**	23.1
Spin-out and similar companies (see note 31)	**14.3**	10.4	**7.1**	4.1
Investments in joint ventures	**1.0**	0.8	–	–
	1,099.7	705.1	**892.2**	529.9

14 Endowment assets

CUEF units (see note 25)	**1,144.4**	955.0	**953.4**	792.5
Property	**0.8**	0.9	**0.8**	1.0
Securities	**39.6**	33.8	**25.8**	21.1
Spin-out and similar companies (see note 31)	**4.3**	8.7	**4.3**	8.7
Money market investments	**59.6**	50.7	**54.7**	50.0
Cash in hand and at investment managers	**1.7**	2.4	–	–
Bank balances	**1.0**	5.0	–	–
	1,251.4	1,056.5	**1,039.0**	873.3

Notes to the accounts (continued)

15 Stocks and work in progress	**Group 2013 £m**	Group 2012 £m	**University 2013 £m**	University 2012 £m
Goods for resale	**31.3**	27.4	**23.6**	21.0
Pre-publication costs and other work in progress	**28.9**	30.6	**26.9**	28.9
Other stocks	–	0.5	–	0.3
	60.2	58.5	**50.5**	50.2

16 Debtors

Research grants recoverable	**70.3**	55.0	**70.3**	55.0
Amounts due from subsidiary undertakings	–	–	**64.6**	18.9
Debtors re examination and assessment services	**68.7**	73.4	**63.4**	58.8
Debtors re publishing and printing	**86.1**	80.1	**63.8**	62.0
Other debtors	**47.7**	51.8	**39.8**	43.1
	272.8	260.3	**301.9**	237.8

17 Current asset investments

CUEF units (see note 25)	**74.3**	48.2	**490.0**	402.0
Money market investments	**293.3**	198.9	**296.2**	203.6
Cash in hand and at investment managers	**84.7**	–	**84.7**	–
Other	**0.2**	–	**0.2**	–
	452.5	247.1	**871.1**	605.6
Representing:				
University	**374.2**	196.7	**304.9**	162.7
Held on behalf of subsidiary undertakings, Colleges and other associated bodies (see note 18)	**78.3**	50.4	**566.2**	442.9
	452.5	247.1	**871.1**	605.6

Current asset investments include investments held on behalf of subsidiary undertakings, Colleges and other associated bodies. The book value of these investments is included in creditors due within one year.

18 Creditors: amounts falling due within one year

Bank overdraft	**3.6**	2.5	**3.6**	2.5
Current portion of long-term bank loan	**0.7**	4.4	**0.7**	4.4
Research grants received in advance	**164.9**	122.0	**164.9**	122.0
Amounts due to subsidiary undertakings	–	–	**14.3**	6.3
Creditors re examination and assessment services	**92.5**	91.6	**51.9**	42.3
Creditors re publishing services	**82.3**	80.0	**69.9**	69.6
Other creditors	**166.1**	154.9	**130.3**	134.8
Investments held on behalf of subsidiary undertakings, Colleges, and other associated bodies (see note 17)	**78.3**	50.4	**566.2**	442.9
	588.4	505.8	**1,001.8**	824.8

Notes to the accounts (continued)

19 Creditors: amounts falling due after more than one year

Bond liabilities	**342.3**	–	**342.3**	–
Amounts due to subsidiary undertakings	**–**	–	**0.1**	0.1
Bank loans	**3.2**	–	**3.2**	–
Loan from minority interest	**1.8**	2.3	**–**	–
Deferred income	**0.5**	0.4	**–**	–
	347.8	2.7	**345.6**	0.1

On 17 October 2012 the University issued £350m of 3.75% unsecured Bonds due October 2052 (the 'Bonds'). The Bonds were issued at 98.168% of their principal amount. The proceeds of issue, less directly attributable transaction costs, amounted to £342m. Interest at 3.75% pa is payable on 17 April and 17 October each year commencing on 17 April 2013. The Bonds are listed on the London Stock Exchange. Unless previously redeemed, the Bonds will be redeemed at their principal amount of £350m on 17 October 2052. The Bonds are initially measured at the proceeds of issue less all transaction costs directly attributable to the issue. After initial recognition, the Bonds are measured at amortized cost using the effective interest rate method.

Proceeds of issue	**343.6**
Less directly attributable costs of the issue	**(1.6)**
Net proceeds	**342.0**
Amortization for the period to 31 July 2013	**0.3**
Amortized cost	**342.3**

20 Pension liabilities

The pension liabilities have been measured in accordance with the requirements of FRS 17.	**Group 2013 £m**	Group 2012 £m	**University 2013 £m**	University 2012 £m
Opening balance	**369.3**	308.1	**103.6**	79.6
Movement in year:				
Current service cost including life assurance	**24.2**	27.8	**2.1**	2.3
Contributions	**(42.7)**	(40.6)	**(6.8)**	(5.9)
Other finance cost	**6.9**	10.0	**3.0**	3.1
Currency adjustments	**0.2**	1.6	**0.2**	1.5
Actuarial loss recognized in statement of total recognized gains and losses	**5.7**	62.4	**(29.6)**	23.0
Closing balance	**363.6**	369.3	**72.5**	103.6
These liabilities relate to the following defined benefit schemes disclosed in note 30:				
Cambridge University Assistants' Contributory Pension Scheme (CPS)	**291.1**	265.7	**–**	–
Cambridge University Press UK defined benefit schemes (PCPF and PSSPS)	**69.6**	94.6	**69.6**	94.6
Cambridge University Press US defined benefit plan (DBP)	**2.9**	9.0	**2.9**	9.0
	363.6	369.3	**72.5**	103.6

21 Other retirement benefits liability

Group and University	**2013 £m**	2012 £m
The liability has been measured in accordance with the requirements of FRS 17 and relates to unfunded post-retirement medical and insurance schemes.		
Opening balance	**20.5**	15.9
Movement attributable to the year:		
Current service cost less benefits paid	**0.3**	0.4
Contributions	**(0.4)**	(0.2)
Other finance cost	**1.0**	0.8
Currency adjustments	**0.2**	0.2
Actuarial loss recognized in statement of total recognized gains and losses	**2.6**	3.4
Closing balance	**24.2**	20.5

Notes to the accounts (continued)

22 Deferred capital grants

	Funding Council £m	Research Grants £m	Other Grants £m	2013 Total £m	2012 £m
Group and University					
Balance 1 August					
Buildings	**240.5**	**67.6**	**173.9**	**482.0**	476.2
Equipment	**5.9**	**13.3**	**0.8**	**20.0**	20.2
	246.4	**80.9**	**174.7**	**502.0**	496.4
Grants received					
Buildings	**24.8**	**(2.0)**	**7.3**	**30.1**	28.7
Equipment	**–**	**12.8**	**(0.2)**	**12.6**	9.3
	24.8	**10.8**	**7.1**	**42.7**	38.0
Released to income and expenditure					
Buildings – for depreciation	**(12.2)**	**(3.5)**	**(7.7)**	**(23.4)**	(22.9)
Equipment – for depreciation	**(2.3)**	**(7.6)**	**(0.1)**	**(10.0)**	(9.2)
Equipment – on disposals	**–**	**(0.1)**	**–**	**(0.1)**	(0.3)
	(14.5)	**(11.2)**	**(7.8)**	**(33.5)**	(32.4)
Balance 31 July					
Buildings	**253.1**	**62.1**	**173.5**	**488.7**	482.0
Equipment	**3.6**	**18.4**	**0.5**	**22.5**	20.0
	256.7	**80.5**	**174.0**	**511.2**	502.0

23 Endowments

Group	Expendable £m	Permanent £m	2013 Total £m	2012 Total £m
Balance 1 August	**361.7**	**694.8**	**1,056.5**	1,018.5
New endowments received	**34.6**	**6.2**	**40.8**	43.5
Transfers	**(1.3)**	**1.3**	**–**	–
Income receivable from endowment asset investments (see note 6)	**2.7**	**5.3**	**8.0**	8.6
Expenditure	**(34.2)**	**(24.0)**	**(58.2)**	(52.7)
Valuation gains on investments	**65.8**	**138.5**	**204.3**	38.6
Balance 31 July	**429.3**	**822.1**	**1,251.4**	1,056.5
Capital	**414.2**	**716.1**	**1,130.3**	955.0
Unspent income	**15.1**	**106.0**	**121.1**	101.5
Balance 31 July	**429.3**	**822.1**	**1,251.4**	1,056.5
Representing:				
Trust and Special Funds:				
Professorships, Readerships and Lectureships	**48.2**	**405.0**	**453.2**	383.3
Scholarships and bursaries	**20.9**	**106.7**	**127.6**	109.7
Other	**115.4**	**301.0**	**416.4**	342.2
Gates Cambridge Trust	**201.6**	**–**	**201.6**	173.3
Specific donations	**38.3**	**–**	**38.3**	35.6
Examination Board restricted funds	**4.9**	**–**	**4.9**	4.4
General endowments	**–**	**9.4**	**9.4**	8.0
Group total	**429.3**	**822.1**	**1,251.4**	1,056.5

Notes to the accounts (*continued*)

23 Endowments (continued)

Transfer to income and expenditure account

The transfer from endowments to the income and expenditure account represents the extent to which expenditure has been funded from endowment funds, after deducting the related investment income which is credited separately as part of total income. The transfer is calculated as follows:

Group	**Expendable £m**	**Permanent £m**	**2013 Total £m**	2012 Total £m
Expenditure	**34.2**	**24.0**	**58.2**	52.7
Less investment income	**(2.7)**	**(5.3)**	**(8.0)**	(8.6)
Transfer to income and expenditure account	**31.5**	**18.7**	**50.2**	44.1

University				
Balance 1 August	**179.9**	**693.4**	**873.3**	835.6
New endowments received	**27.4**	**6.2**	**33.6**	39.0
Income receivable from endowment asset investments	**1.4**	**5.3**	**6.7**	7.2
Expenditure	**(21.0)**	**(22.6)**	**(43.6)**	(41.0)
Valuation gains on investments	**30.8**	**138.2**	**169.0**	32.5
Balance 31 July	**218.5**	**820.5**	**1,039.0**	873.3
Capital	**203.4**	**714.7**	**918.1**	772.5
Unspent income	**15.1**	**105.8**	**120.9**	100.8
Balance 31 July	**218.5**	**820.5**	**1,039.0**	873.3

24 Reserves

	General reserves £m	**Operational property revaluation reserve £m**	**Fixed asset investment revaluation reserve £m**	**2013 Total £m**	2012 Total £m
Group					
Balance 1 August	**817.7**	**127.2**	**136.1**	**1,081.0**	1,073.1
Surplus retained for the year	**73.1**	**–**	**–**	**73.1**	47.9
Actuarial loss	**(8.3)**	**–**	**–**	**(8.3)**	(65.8)
Transfer in respect of depreciation on revalued operational properties	**6.1**	**(6.1)**	**–**	**–**	–
Transfer in respect of disposals of fixed asset investments	**36.8**	**–**	**(36.8)**	**–**	–
Loss arising on foreign currency translation	**(3.2)**	**–**	**–**	**(3.2)**	(1.2)
Increase in market value of investments	**–**	**–**	**166.4**	**166.4**	27.0
Balance 31 July	**922.2**	**121.1**	**265.7**	**1,309.0**	1,081.0

Reserves are reduced by the net liabilities in respect of retirement benefits.

Reserves before net liabilities in respect of retirement benefits	**1,310.0**	**121.1**	**265.7**	**1,696.8**	1,470.8
Effect of pension liability (see note 20)	**(363.6)**	**–**	**–**	**(363.6)**	(369.3)
Effect of liability for other retirement benefits (see note 21)	**(24.2)**	**–**	**–**	**(24.2)**	(20.5)
Reserves balance at 31 July	**922.2**	**121.1**	**265.7**	**1,309.0**	1,081.0

Notes to the accounts (continued)

24 Reserves (continued)

	General reserves £m	Operational property revaluation reserve £m	Fixed asset investment revaluation reserve £m	2013 Total £m	2012 Total £m
University					
Balance 1 August	**931.1**	**127.2**	**98.4**	**1,156.7**	1,127.0
Surplus retained for the year	**85.2**	–	–	**85.2**	40.0
Actuarial gain / (loss)	**27.0**	–	–	**27.0**	(26.4)
Transfer in respect of depreciation on revalued operational properties	**6.1**	**(6.1)**	–	–	–
Transfer in respect of disposals of fixed asset investments	**19.2**	–	**(19.2)**	–	–
Loss arising on foreign currency translation	**(1.8)**	–	–	**(1.8)**	(2.9)
Increase in market value of investments	–	–	**126.6**	**126.6**	19.0
Balance 31 July	**1,066.8**	**121.1**	**205.8**	**1,393.7**	1,156.7

25 Cambridge University Endowment Fund (CUEF)

The University operates a unitized fund, the Cambridge University Endowment Fund (CUEF), for long-term investment in respect of individual restricted endowments and other balances, and by other group undertakings. The assets of the CUEF were held in the following categories:

	31 July 2013 £m	%	31 July 2012 £m	%
Public equity	**1,280.2**	**59.9**	925.3	56.1
Private investment	**175.9**	**8.2**	106.3	6.4
Absolute return	**259.6**	**12.2**	250.7	15.2
Credit	**66.2**	**3.1**	79.4	4.8
Real assets	**211.0**	**9.9**	192.3	11.6
Fixed interest / cash	**143.9**	**6.7**	97.0	5.9
Total value of fund	**2,136.8**	**100.0**	1,651.0	100.0

Public equity includes all equity stocks traded on a liquid market, together with related index funds and derivatives (such as futures).

Private investment includes investments where initial capital commitments are drawn down over a period, and the proceeds of the investments once disposed of are returned over the life of each fund. The underlying investments may include both unlisted equities and / or corporate credits (such as bonds, loans and other claims).

Absolute return includes investments in trading strategies which are to some degree independent of overall equity market movements. Funds where different equities are simultaneously held (long) and sold (short) are included in this category.

Credit includes corporate securities (such as bonds and loans) traded on a liquid public market.

Real assets includes investments which are expected to some degree to increase in nominal value to match inflation. This category includes commercial property, and securities which reflect the level of commodity values. Inflation-linked government securities are, however, included in the fixed interest category below.

Fixed interest / cash includes cash at bank and on deposit, government securities, the net value of foreign currency contracts and any amounts receivable in general; less amounts payable, including those arising from holding derivative contracts.

The assets of the CUEF are included in the following balance sheet captions in proportion to the number of units held by the relevant funds:

	Group 2013 £m	Group 2012 £m	**University 2013 £m**	University 2012 £m
Fixed asset investments (see note 13)	**918.1**	647.8	**693.4**	456.5
Endowment assets (see note 14)	**1,144.4**	955.0	**953.4**	792.5
Current asset investments (see note 17) – balances held on behalf of:				
Subsidiary undertakings	–	–	**415.7**	353.8
Colleges	**65.6**	44.4	**65.6**	44.4
Other associated bodies	**8.7**	3.8	**8.7**	3.8
Total included in current asset investments	**74.3**	48.2	**490.0**	402.0
Total value of units	**2,136.8**	1,651.0	**2,136.8**	1,651.0

Notes to the accounts (*continued*)

26 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2013 £m	2012 £m
Surplus on continuing operations	**23.1**	4.6
Depreciation of fixed tangible assets	**77.1**	71.4
Amortization of goodwill	**2.6**	1.2
(Surplus) / deficit on disposal of tangible fixed assets	**(5.5)**	1.9
Deferred capital grants released to income	**(33.4)**	(32.1)
Donations of, and for the purchase of, heritage assets	**(15.6)**	(5.6)
Investment income	**(20.0)**	(18.9)
Interest payable	**18.7**	11.1
Pension cost less contributions payable (see note 20)	**(18.5)**	(12.8)
Other retirement benefits – cost less contributions payable (see note 21)	**(0.1)**	0.2
Currency adjustments	**(3.8)**	0.6
	24.6	21.6
(Increase) in stock	**(1.7)**	(4.2)
(Increase) in debtors	**(12.5)**	(16.8)
Increase in creditors	**58.3**	24.2
Net cash inflow from operating activities	**68.7**	24.8

27 Cash flows

	2013 £m	2012 £m
Returns on investments and servicing of finance		
Endowment and investment income received	**20.0**	18.9
Interest paid	**(6.7)**	(0.3)
Net cash inflow from returns on investments and servicing of finance	**13.3**	18.6
Capital expenditure and financial investment		
Purchase of tangible fixed assets	**(118.3)**	(89.2)
Acquisition of goodwill and other intangible fixed assets	**(3.3)**	(3.8)
Donations and grants for the purchase of tangible fixed assets	**46.7**	38.9
Proceeds of disposal of tangible fixed assets	**16.9**	0.7
Net purchase of long-term investments (excluding investments held on behalf of others)	**(401.0)**	(26.3)
New endowments received	**40.8**	43.5
Additional investment in subsidiaries	**–**	(0.7)
Net cash outflow from capital expenditure and financial investment	**(418.2)**	(36.9)
Financing		
Proceeds of bond issue	**342.0**	–
Repayment of long-term loans	**(1.0)**	(0.5)
Net cash inflow / (outflow) from financing	**341.0**	(0.5)

28 Analysis of the balances of cash and bank overdraft

	Group 2013 £m	Group 2012 £m	University 2013 £m	University 2012 £m
Bank overdrafts	**(3.6)**	(2.5)	**(3.6)**	(2.5)
Bank balances included in endowment assets	**1.0**	5.0	**–**	–
Cash at bank and in hand	**61.3**	51.1	**37.0**	28.4
Net funds	**58.7**	53.6	**33.4**	25.9

Notes to the accounts (*continued*)

29 Capital commitments	**2013 £m**	2012 £m
Commitments for capital expenditure:		
Commitments contracted at 31 July	**117.6**	147.2
Authorized but not contracted at 31 July	**100.9**	–

Of the capital expenditure committed at 31 July 2013, approximately 27% (2012: 38%) will be funded by specific grants and donations.

Commitments for capital calls on investments	**163.7**	88.0

30 Pension schemes

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Cambridge University Assistants' Contributory Pension Scheme (CPS). Cambridge University Press operates two defined benefit schemes for its UK staff, the Press Contributory Pension Fund (PCPF) and the Press Senior Staff Pension Scheme (PSSPS). With the exception (from 1 January 2013) of the CPS, employees covered by the schemes are contracted out of the State Second Pension. The assets of the schemes are held in separate trustee-administered funds. The USS and the CPS are not closed, nor is the age profile of their active membership rising significantly. The PCPF and the PSSPS have been closed to new members.

The schemes are defined benefit schemes which are valued every three years using the projected unit method by professionally qualified actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries.

Universities Superannuation Scheme (USS)

The University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reliable basis and therefore, as required by FRS 17 (Retirement Benefits) accounts for the scheme as if it were a defined contribution scheme.

Triennial valuation of the scheme

The latest triennial actuarial valuation of the scheme was at 31 March 2011 and was the second valuation for this scheme to require the calculation of technical provisions in accordance with the Pensions Act 2004. The assumptions that have the most significant effect on the result of the valuation were as follows:

Investment returns per annum	**6.10%**
Salary scale increases per annum	**4.40%**
Pension increases per annum:	
First three years	**3.40%**
Thereafter	**2.60%**
Mortality – equivalent life expectancy for members reaching retirement age of 65:	
Males currently aged 65	**89**
Males currently aged 45	**91**
Females currently aged 65	**91**
Females currently aged 45	**93**

At the valuation date, the value of the assets of the scheme was £32,433.5m and the value of the scheme's technical provisions was £35,343.7m. The assets were therefore sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

At 31 March 2013 the actuary has estimated that the funding level had fallen from 92% to 77%. This estimate was based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions over the following twelve months.

The employer contribution rate payable by the University in the year ended 31 July 2013 was 16% of pensionable pay. The scheme's trustees have determined a recovery plan to pay off the shortfall shown by the 31 March 2011 valuation by 31 March 2021; under the recovery plan the University's contribution rate would increase to 18% of pensionable pay from 1 April 2017 to 31 March 2021. The contribution rate will be reviewed as part of each triennial valuation and may be reviewed more frequently.

Cambridge University Assistants' Contributory Pension Scheme (CPS)

The CPS was established under the authority of the Universities of Oxford and Cambridge Act 1923. It is a registered pension scheme for the purposes of Finance Act 2004. The active members of the scheme are employees of the University and its subsidiary undertakings. The scheme's benefit structure changed significantly from 1 January 2013, at which point employees covered by schemes ceased to be contracted out of the State Second Pension.

Notes to the accounts (*continued*)

30 Pension schemes (continued)

Cambridge University Assistants' Contributory Pension Scheme (CPS) (continued)

Triennial valuation of the scheme

A full triennial valuation of the scheme was carried out by the actuary for the trustees of the scheme for funding purposes as at 31 July 2012. The results showed the actuarial value of the scheme's assets as £377.2m. These were insufficient to cover the scheme's past service liabilities of £511.6m; the scheme had a deficit of £134.4m and was 74% funded.

From 1 August 2011 to 31 July 2013 normal employer contributions were set at 20.3 of pensionable pay. From 1 August 2013 employer contributions are set at an average of 11.5% of pensionable pay for existing members at 31 December 2012 and a rate of 5.8% of pensionable pay for new entrants from 1 January 2013. In addition fixed employer contributions totalling £14.6m per annum are payable over the period from 1 August 2011 to 31 July 2025.

CPS: Pension costs under FRS 17

For accounting purposes the scheme's assets are measured at market value and liabilities are valued using the projected unit method and discounted using the gross redemption yield for corporate AA rated bonds. The valuation uses market-based assumptions and asset valuations, and represents a current valuation. It does not impact on the joint contribution rate set by the trustees of the scheme. The principal assumptions used by the actuary were:

	2013	2012
Discount rate	**4.60%**	4.50%
Expected rate of return on scheme assets at beginning of year	**7.15%**	6.50%
Rate of increase in salaries	**4.15%**	3.50%
Rate of increase in pensions in deferment	**3.40%**	2.75%
Rate of increase in pensions in payment	**3.40%**	2.75%
Mortality – equivalent life expectancy for members reaching the age of 65:		
Males currently aged 65	**87**	87
Males currently aged 45	**88**	88
Females currently aged 65	**90**	90
Females currently aged 45	**92**	92

The following results were measured in accordance with the requirements of FRS 17, based on the assumptions summarized above:

	Present value of defined benefit obligation		**Fair value of scheme assets**		**Net liability recognized in the balance sheet**	
	2013 £m	2012 £m	**2013 £m**	2012 £m	**2013 £m**	2012 £m
Opening	**(642.8)**	(587.7)	**377.4**	359.4	**(265.4)**	(228.3)
Current service cost	**(22.1)**	(25.5)	**–**	–	**(22.1)**	(25.5)
Employer contributions	**–**	–	**35.7**	34.7	**35.7**	34.7
Expected return on scheme assets	**–**	–	**25.3**	24.4	**25.3**	24.4
Contributions by members	**(0.6)**	(0.5)	**0.6**	0.5	**–**	–
Interest cost	**(29.2)**	(31.3)	**–**	–	**(29.2)**	(31.3)
Actuarial (losses) / gains	**(75.3)**	(17.0)	**39.9**	(22.4)	**(35.4)**	(39.4)
Benefits and expenses paid	**13.3**	19.2	**(13.3)**	(19.2)	**–**	–
Closing defined benefit obligation	**(756.7)**	(642.8)	**465.6**	377.4	**(291.1)**	(265.4)

The amounts recognized in the income and expenditure account were as follows:	**2013 £m**	2012 £m
In staff costs: current service cost	**22.1**	25.5
In interest and other finance costs:		
Expected return on pension scheme assets	**25.3**	24.4
Interest on pension scheme liabilities	**(29.2)**	(31.3)
	(3.9)	(6.9)

The total of actuarial losses recognized in the statement of total recognized gains and losses was £35.4m (2012: £39.4m).

Notes to the accounts (*continued*)

30 Pension schemes (continued)

CPS: Pension costs under FRS 17 (continued)

Amounts for the current and previous four years were as follows:	**2013 £m**	2012 £m	2011 £m	2010 £m	2009 £m
Defined benefit obligation	**(756.7)**	(642.8)	(587.7)	(516.5)	(458.7)
Plan assets	**465.6**	377.4	359.4	320.4	275.9
Deficit at the balance sheet date	**(291.1)**	(265.4)	(228.3)	(196.1)	(182.8)
Experience gains / (losses) for the year on plan liabilities	**4.4**	9.2	(1.6)	7.1	3.9
Experience gains / (losses) for the year on plan assets	**39.9**	(22.4)	9.3	15.8	(41.2)

The above results have been recognized in the consolidated balance sheet. The University is, however, unable to identify its own share of the underlying assets and liabilities in the scheme, as distinct from that attributable to subsidiary undertakings, on a reasonable and consistent basis. For the University itself, therefore, pension costs are accounted for as if the CPS were a defined contribution scheme, and the University's own balance sheet does not include a pension liability in respect of the CPS.

Cambridge University Press UK defined benefit schemes (PCPF and PSSPS)

Triennial valuation of the schemes

Full triennial valuations of the schemes were carried out by the actuary for the trustees of the schemes for funding purposes as at 1 January 2013.

Pension costs under FRS 17

For accounting purposes the schemes' assets are measured at market value and liabilities are valued using the attained age method and discounted using the gross redemption yield for corporate AA rated bonds. The valuations use market-based assumptions and asset valuations, and represent current valuations. They do not impact on the joint contribution rates set by the trustees of the schemes. The actuary has updated the 1 January 2013 valuation to 31 July 2013 for the purposes of the University's financial statements. The principal assumptions used by the actuary for both schemes were:

	2013	2012
Discount rate	**4.60%**	4.50%
Expected rate of return on scheme assets at beginning of year	**5.00%**	5.90%
Rate of increase in salaries – schemes are now on frozen current salary basis	**0.00%**	0.00%
Rate of increase in pensions in deferment	**3.70%**	3.30%
Rate of increase in pensions in payment	**3.70%**	3.30%
Mortality - equivalent life expectancy for members at age 65:		
Males	**87**	87
Females	**90**	90

The following results were measured in accordance with the requirements of FRS 17, based on the assumptions summarized above. The results for the two schemes have been amalgamated.

	Present value of defined benefit obligation		**Fair value of scheme assets**		**Net liability recognized in the balance sheet**	
	2013 £m	2012 £m	**2013 £m**	2012 £m	**2013 £m**	2012 £m
Opening	**(271.7)**	(241.4)	**177.1**	166.9	**(94.6)**	(74.5)
Current service cost	**(2.1)**	(2.0)	**–**	–	**(2.1)**	(2.0)
Employer contributions	**–**	–	**5.3**	5.4	**5.3**	5.4
Expected return on scheme assets	**–**	–	**8.8**	9.8	**8.8**	9.8
Contributions by members	**(0.2)**	(0.3)	**0.2**	0.3	**–**	–
Interest cost	**(12.1)**	(12.9)	**–**	–	**(12.1)**	(12.9)
Actuarial gains / (losses)	**18.6**	(23.9)	**6.5**	3.5	**25.1**	(20.4)
Benefits and expenses paid	**9.4**	8.8	**(9.4)**	(8.8)	**–**	–
Closing defined benefit obligation	**(258.1)**	(271.7)	**188.5**	177.1	**(69.6)**	(94.6)

Notes to the accounts (continued)

30 Pension schemes (continued)

Cambridge University Press UK defined benefit schemes (PCPF and PSSPS) (continued)

Pension costs under FRS 17 (continued)

The amounts recognized in the income and expenditure account were as follows:	**2013 £m**	2012 £m
In staff costs: current service cost	**2.1**	2.0
In interest and other finance costs:		
Expected return on pension scheme assets	**8.8**	9.8
Interest on pension scheme liabilities	**(12.1)**	(12.9)
	(3.3)	(3.1)

The total of actuarial losses recognized in the statement of total recognized gains and losses was £25.1m (2012: £20.4m).

Amounts for the current and previous four years were as follows:	**2013 £m**	2012 £m	2011 £m	2010 £m	2009 £m
Defined benefit obligation	**(258.1)**	(271.7)	(241.4)	(223.2)	(208.6)
Plan assets	**188.5**	177.1	166.9	152.4	139.8
Deficit at the balance sheet date	**(69.6)**	(94.6)	(74.5)	(70.8)	(68.8)
Experience gains / (losses) for the year on plan liabilities	**17.8**	(4.2)	(8.4)	(2.4)	0.4
Experience gains / (losses) for the year on plan assets	**6.5**	3.5	10.9	8.5	(17.8)

The University also has a smaller number of staff in other pension schemes, including the National Health Service Pension Scheme (NHSPS). Further disclosures are not given as the balances and movements are not material.

The total pension cost for the year (see note 7) was:	**2013 £m**	2012 £m
USS: contributions	**63.1**	58.6
CPS: charged to income and expenditure account	**22.1**	25.5
PCPF: charged to income and expenditure account	**1.6**	1.5
PSSPS: charged to income and expenditure account	**0.6**	0.5
NHSPS: contributions	**1.9**	1.9
Contributions to other pension schemes	**3.8**	8.4
	93.1	96.4

Notes to the accounts (*continued*)

31 Principal subsidiary and associated undertakings and other significant investments

The following undertakings were subsidiary undertakings throughout the year ended 31 July 2013. Except where stated, the accounting reference date is 31 July and the undertaking is a wholly-owned company registered in England and Wales.

Name	Notes	Principal activity
Cambridge Enterprise Limited		Consultancy and commercial exploitation of intellectual property
IFM Education and Consultancy Services Limited		Consultancy and commercial exploitation of intellectual property
Cambridge Investment Management Limited		Investment management
Cambridge Programme for Sustainability Leadership (Australia)	a	Sustainability leadership programmes
Cambridge Programme for Sustainability Leadership (South Africa)	b	Sustainability leadership programmes
Fitzwilliam Museum (Enterprises) Limited		Publication of fine art books and sale of museum merchandise
JBS Executive Education Limited		Corporate education services
Lynxvale Limited		Provision of construction and development services
The Cambridge Foundation	c	Fundraising
University of Cambridge Dental Practice Limited		Dental services
Associated Trusts	c	
Cambridge Overseas Trust Cambridge Commonwealth Trust Gates Cambridge Trust Cambridge European Trust Malaysian Commonwealth Studies Centre in Cambridge		Provision of scholarships, grants, and other support for the education of overseas students in the University
Cambridge Assessment subsidiary undertakings		
Cambridge Assessment Overseas Limited		Overseas office services
Cambridge Assessment Singapore	d	Overseas office services
Cambridge Avaliacao Representacao e Promocao Ltda	e	Overseas office services
Cambridge ESOL Inc	f	Holding entity
Cambridge ESOL (Aus), subsequently renamed Cambridge English (Aus)	g	Examination services
Cambridge Boxhill Language Pty Limited	g	Examination services
Fundacion UCLES	h	Examination services
Oxford and Cambridge International Assessment Services Limited		Overseas office services
Oxford Cambridge and RSA Examinations	c	Examination and assessment services
Cambridge University Press subsidiary undertakings	i	
Academic Journal Publishing Pty Limited	g	Intermediate holding company
Australian Academic Press Pty Group Limited	g	Publishing and distribution
Cambridge Knowledge (China) Limited	j	Representative office
Cambridge Printing Services Limited		Printing services
Cambridge University Press (Greece) EPE	k	Representative office
Cambridge University Press (Holdings) Limited		Multi-purpose holding company
Cambridge University Press India (Private) Limited	l	Publishing and distribution
Cambridge University Press Japan KK	m	Representative office
Cambridge University Press Panama SA	n	Distribution
Cambridge University Press South Africa (Proprietary) Limited	o	Publishing and distribution
Cambridge Hitachi-Solutions Education Limited	p	E-learning
Digital Services Cambridge Limited		Software development
Editorial Edicambridge Cia Ltda	q	Representative office
ELT Trading Limited	r	Publishing
Foundation e-Learning (Private) Limited	l	Publishing and distribution
HOTmaths Pty Limited	s	Web-based maths digital learning management systems
United Publishers Services Limited	j	Distribution

Notes to the accounts (*continued*)

31 Principal subsidiary and associated undertakings and other significant investments (continued)

Notes

a Cambridge Programme for Sustainability Leadership (Australia) is incorporated in Australia and has an accounting reference date of 30 June for commercial reasons. The effect of this is not material to the consolidated accounts.

b Cambridge Programme for Sustainability Leadership (South Africa) is incorporated in South Africa.

c The Cambridge Foundation, the Associated Trusts, and Oxford Cambridge and RSA Examinations are exempt charities established by trust deeds (see note 34).

d Cambridge Assessment Singapore is incorporated in Singapore.

e Cambridge Avaliacao Representacao e Promocao Ltda is incorporated in Brazil.

f Cambridge ESOL Inc is a United States non-stock non-profit corporation.

g Cambridge English (Aus), Cambridge Boxhill Language Pty Limited, Academic Journal Publishing Pty Limited and Australian Academic Press Pty Group Limited are incorporated in Australia.

h Fundacion UCLES is incorporated in Spain.

i Cambridge University Press subsidiary undertakings have an accounting reference date of 30 April for commercial reasons with the exceptions of the companies incorporated in India (31 March) and Mexico (31 December).

j Cambridge Knowledge (China) Limited and United Publishers Services Limited are incorporated in Hong Kong.

k Cambridge University Press (Greece) EPE is incorporated in Greece.

l Cambridge University Press India (Private) Limited and Foundation E-learning (Private) Limited are incorporated in India.

m Cambridge University Press Japan KK is incorporated in Japan.

n Cambridge University Press Panama SA is incorporated in Panama.

o Cambridge University Press South Africa (Proprietary) Limited is a 75% subsidiary incorporated in South Africa.

p The University holds 60% of the issued share capital in Cambridge Hitachi-Solutions Education Limited.

q Editorial Edicambridge Cia Ltda is incorporated in Ecuador.

r ELT Trading Limited is incorporated in Mexico.

s HOTmaths Pty Limited is a 55% subsidiary incorporated in Australia.

The University has interests in a number of spin-out companies formed to exploit intellectual property rights or inventions. These are included at valuation in fixed asset investments (see note 13) and endowment assets (see note 14). In some cases the University's interest amounts to 20% or more of the share capital, and these companies are listed below. As the University does not exercise a significant influence over these investments and they are not intended to be held for the long term, they are not accounted for as associated undertakings. Other undertakings where the University's investment amounts to 20% or more are also listed below. These are not accounted for as associated undertakings as the effect on the financial statements would not be material.

Name	% interest	Principal Activity
Ampika Limited	40	Commercial exploitation of intellectual property
AQDOT Limited	21	Commercial exploitation of intellectual property
Cambridge Epigenetix Limited	34	Commercial exploitation of intellectual property
Cambridge Flow Solutions Limited	25	Commercial exploitation of intellectual property
Cambridge in America	22	Fundraising
DefiniGEN Limited	32	Commercial exploitation of intellectual property
Jukedeck Limited	20	Commercial exploitation of intellectual property
Microbial Technics Limited	23	Commercial exploitation of intellectual property
Sphere Fluidics Limited	29	Commercial exploitation of intellectual property
The CRISP Consortium Limited	45	Commercial exploitation of intellectual property
Vivamer Limited	58	Commercial exploitation of intellectual property

In addition, at the year end the University held an interest of 38% in Cambridge Innovation Capital plc as part of its investment portfolio. Movements in the carrying value of this investment are not taken through the income and expenditure account.

Notes to the accounts (*continued*)

32 Related party transactions

The financial statements of the University include transactions with related parties. In accordance with FRS 8 (Related Party Transactions) these are disclosed where members of the Council disclose an interest in a body with whom the University undertakes transactions which are considered material to the University's financial statements and / or to the other party. Due to the nature of the University's operations and the composition of its Council, it is inevitable that the University will enter into transactions in the normal course of business with Colleges, NHS Trusts, Research Councils, other grant-awarding bodies, and other private and public sector organizations in which members of the Council may have an interest. All transactions involving organizations in which members of Council may have such an interest, including those summarized below, are conducted in accordance with the University's financial regulations and usual procurement procedures. A register of the interests of the members of the Council is maintained. The University has taken advantage of the exemption within FRS 8 and has not disclosed transactions with other Group entities where it holds 100% of the voting rights.

Transactions with Colleges are summarized in note 33 below. Included within the financial statements are other transactions with the following related parties:

Cambridge University Students Union

The President and the Education Officer of Cambridge University Students Union were also members of the University's Council for the 2012–13 financial year. Under *Statutes and Ordinances*, Chapter II, the University has discretion to provide financial assistance to the Union and, in the year ending 31 July 2013, provided a grant of £124,000 and made other payments totalling £10,000 for services provided. The Union made payments to the University totalling £9,000 for network and other services provided.

Gatsby Charitable Foundation

Lord Sainsbury of Turville, who was elected as Chancellor of the University in October 2011, is settlor of the Gatsby Charitable Foundation (Gatsby) and, together with the Gatsby Trustees, actively involved in setting the Foundation's strategic direction and approving all activities. In 2006 the University approved a proposal to establish a Sainsbury Laboratory for plant science in Cambridge, with Gatsby providing capital funding and research funds over a ten year period. The Sainsbury Laboratory was completed in the year ended 31 July 2011, with Gatsby capital contributions totalling £74m. Research grants and contracts income for the year ended 31 July 2013 includes £4.0m (2012: £3.2m) receivable in respect of continuing grants funded by Gatsby. Research funding received from Gatsby in advance at the year-end amounted to £1.1m (2012: £1.4m).

Higher Education Funding Council for England

The Higher Education Funding Council for England (HEFCE) allocates funding from the Government to universities and colleges in England. HEFCE is led by the HEFCE Board that includes a member of the University's Council. Funding received from HEFCE is included in funding body grants (see note 1) and in deferred capital grants (see note 22) in accordance with the University's accounting policies. At 31 July 2013 current liabilities included £30.7m (2012: £39.1m) in respect of funding received from HEFCE but not yet recognized as deferred capital grants or as income.

Kidney Research UK

Kidney Research UK is a registered charity governed by a Board of Trustees that includes a member of the University's Council. Research grants and contracts income for the year ended 31 July 2013 includes £198,000 receivable in respect of grants funded by Kidney Research UK, of which £52,000 was included in debtors at the year end.

Needham Research Institute

The Needham Research Institute is an independent foundation and registered charity governed by a Board of Trustees that includes a member of the University's Council. Staff of the Institute are paid through the University's payroll and the Institute reimburses the University the appropriate sum each month. In the year ending 31 July 2013, the University received £208,000 from the Institute in reimbursement of salary costs and £8,000 for network and other services provided.

33 Colleges

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.

During the year payments were made by the University from HEFCE funding in respect of the College fees of publicly-funded undergraduates of £43.3m (2012: £41.6m). These payments are included as 'Payments to Colleges' in note 8 above. The University also made payments in respect of the College fees of postgraduate students totalling £5.3m (2012: £4.8m). These payments are included in other operating expenses. Other operating expenses also include £4.9m (2012: £5.8m) in respect of payments to the Isaac Newton Trust, a charitable trust established by Trinity College, as contributions to a bursary scheme for students of the University.

Notes to the accounts (*continued*)

33 Colleges (continued)

The Cambridge Foundation distributed third party donations to the Colleges totalling £7.3m (2012: £3.1m). The payments are not included in the consolidated income and expenditure account.

During the year the University provided printing, network, and other services to the Colleges for which the Colleges paid a total of £2.8m (2012: £2.6m), and the Colleges provided accommodation, catering, and other services to the University for which the University paid a total of £7.7m (2012: £6.8m).

During the year the Colleges made donations to the University totalling £1.9m (2012: £1.9m) which were credited to specific endowments.

Current asset investments include £65.6m (2012: £44.4m) held on behalf of seven (2012: six) Colleges in the form of CUEF units (see note 17) and £6.7m (2012: £2.0m) held on behalf of the Isaac Newton Trust.

Colleges Fund	**2013 £000**	2012 £000
Balance at 1 August	**55**	27
Contributions received from Colleges	**3,757**	3,675
Interest earned	**3**	3
Payments to Colleges	**(3,800)**	(3,650)
Balance at 31 July included in creditors	**15**	55

The Colleges Fund is administered by the University on behalf of the Colleges, who make all contributions to and receive all allocations from the Fund. The transactions on the Colleges Fund are not included in the income and expenditure account.

34 Connected charitable institutions

A number of charitable institutions are administered by or on behalf of the University and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission. Some of the connected institutions are included as subsidiary undertakings in these consolidated financial statements; the others are not included in the consolidation since the University does not have control over their activities. The movements in the year on these charities' funds as reported in their own accounts were as follows:

Consolidated (see note 31)	**Opening Balance £m**	**Income £m**	**Expenditure £m**	**Market value increase £m**	**Closing Balance £m**
Cambridge Overseas Trust	22.1	11.0	11.0	3.5	25.6
Cambridge Commonwealth Trust	85.1	7.3	7.4	13.7	98.7
Gates Cambridge Trust	173.3	6.8	6.3	27.8	201.6
Cambridge European Trust	0.2	–	0.2	–	–
Malaysian Commonwealth Studies Centre in Cambridge	8.4	1.3	1.9	1.3	9.1
The Cambridge Foundation	6.3	63.0	48.2	0.1	21.2
Oxford Cambridge and RSA Examinations	84.5	106.4	109.9	15.0	96.0
Strangeways Research Laboratory	1.2	0.1	0.4	0.2	1.1
	381.1	195.9	185.3	61.6	453.3

Fund balances are included in the consolidated balance sheet as:

	Opening	Closing
Expendable endowments	183.2	211.9
Permanent endowments	1.3	1.5
Reserves	191.6	219.2
Creditors: amounts falling due within one year	5.0	20.7
	381.1	453.3

Notes to the accounts (*continued*)

34 Connected charitable institutions (continued)

Not consolidated	Opening Balance £m	Income £m	Expenditure £m	Market value increase £m	Closing Balance £m
Isaac Newton Trust, established by Trinity College (see note 33) to promote education, learning, and research in the University (accounts drawn up to 30 June 2013)	22.5	8.7	10.4	1.2	22.0
University of Cambridge Veterinary School Trust, for the support of veterinary education in the University	1.6	0.6	1.1	–	1.1
One smaller scholarship trust	0.3	–	–	–	0.3
Registered clubs and societies:					
Cambridge University Amateur Dramatic Club	0.1	0.2	0.2	–	0.1
Cambridge University Boat Club	1.6	0.5	0.4	0.1	1.8
Cambridge University Eco Racing	–	0.1	0.1	–	–
Cambridge University Law Society	–	0.1	0.1	–	–
Cambridge University Polo Club	0.4	0.1	0.2	–	0.3
Cambridge University Rag	–	0.1	0.1	–	–
Cambridge University Real Tennis Club	0.1	0.1	0.1	–	0.1
Cambridge University Rugby Union Football Club	0.8	0.5	0.5	–	0.8
Cambridge University Women's Boat Club	–	0.1	0.1	–	–
321 smaller clubs and societies	2.2	2.5	2.2	–	2.5
	29.6	13.6	15.5	1.3	29.0

35 HEFCE Access Funds

	2013 £000	2012 £000
Access to Learning Fund allocation	**134**	164
Disbursed to students	**(133)**	(162)
Contribution to administration costs	**(1)**	(2)
Balance unspent at 31 July	–	–

Access to Learning Fund grants are available for students: the University acts only as agent. The grants and related disbursements are therefore excluded from the income and expenditure account.

Notes to the accounts (continued)

36 Financial risk management

In the ordinary course of its activities, the University manages a variety of financial risks including credit risk, liquidity risk, and market risk. The principal risks and the University's approach to managing them are set out below. In view of the significance of the Cambridge University Endowment Fund (CUEF, see note 25), some aspects of financial risk management are considered for CUEF and non-CUEF separately.

Through the CUEF, the University invests in various categories of assets for the long term in order to achieve the CUEF's investment objective of a total return of RPI plus 5.25 per cent per annum. The CUEF is managed by the University's Investment Office, with the oversight of the University's Investment Board. In order to pursue its investment objective the CUEF seeks exposure to a variety of risks. This exposure could result in a reduction in the University's net assets.

a Credit risk

Credit risk is the risk that the University would incur a financial loss if a counterparty were to fail to discharge its obligations to the University.

Credit risk exposure

The University is exposed to credit risk in respect of its financial assets held with various counterparties. The following table details the maximum exposure to credit risk at 31 July:

	2013	2012
	£m	£m
Interest-bearing securities	**17.7**	17.5
Derivative financial instrument asset positions	**101.3**	41.9
Investment cash balances	**129.4**	86.2
Trade debtors: invoices receivable	**174.7**	154.4
Other debtors	**98.1**	105.9
Money market investments	**353.0**	250.0
Cash at bank	**62.3**	56.3
Total financial assets exposed to credit risk	**936.5**	712.2

Of the above financial assets only certain trade debtors, as detailed below, were past their due date or were impaired during the year.

Trade debtors: outstanding invoices	**180.7**	159.0
Less: Provision for impairment of receivables	**(6.0)**	(4.6)
	174.7	154.4

Trade debtors that are less than three months past their due date are not considered impaired unless they are included in the specific provision. At of 31 July 2013, trade debtors with carrying value of £46.8m (2012: £38.5m) were past their due date but not impaired.

	2013	2012
	£m	£m
Balances against which a provision has been made	**14.2**	10.6
Balances not past their due date	**119.7**	109.9
Up to three months past due	**31.2**	27.9
Three to six months past due	**9.3**	5.0
Over six months past due	**6.3**	5.6
	180.7	159.0

Movement on provision of impairment of receivables

Opening balance	**4.6**
Provided in year	**1.8**
Balances written off	**(0.4)**
Closing balance	**6.0**

Notes to the accounts (*continued*)

36 Financial risk management (continued)

a Credit risk (continued)

Risk management policies and procedures

The University aims to minimize its counterparty credit risk exposure by monitoring the size of its credit exposure to, and the creditworthiness of, counterparties, including setting appropriate exposure limits and maturities. The creditworthiness and financial strength of trading customers and research sponsors is assessed at inception and on an ongoing basis. Counterparties for investment assets and bank accounts are selected based on their financial ratings, regulatory environments, and specific circumstances.

In respect of the CUEF, fund managers appointed by the CUEF have responsibility for choosing reliable counterparties. Where CUEF investments are managed directly by the University, investment transactions are carried out with well established, approved brokers. Investment transactions are done on a cash against receipt or cash against delivery basis.

Term deposits and cash balances outside the CUEF are subject to authorized limits and rating criteria which are subject to annual review.

The ratings of term deposits and cash balances at 31 July were as follows:

Fitch credit quality rating (short / long term)	**2013**	2012
	£m	£m
F1+ /AA	**63.9**	54.2
F1 / A+	**17.2**	35.4
F1 / A	**289.5**	197.2
F2 / A-	**30.8**	0.7
F3 / BBB	**7.2**	16.8
Lower ratings	**6.7**	2.0
	415.3	306.3

b Liquidity risk

Liquidity risk is the risk that the University will encounter difficulties raising cash to meet its obligations when they fall due. Obligations are associated with financial liabilities and capital commitments.

Risk management policies and procedures

The majority of the assets held by the CUEF are investments in quoted securities and in funds that are readily realizable; while these assets are not available to fund obligations beyond those of the CUEF, there is no significant liquidity risk in relation to the CUEF itself.

Outside the CUEF, the Group monitors its exposure to liquidity risk by regularly monitoring its liabilities and commitments and holding appropriate levels of liquid assets. The Finance Committee approves the Liquidity Policy periodically. Liquidity and cash forecasts are reviewed by the Director of Finance on a quarterly basis. Cash and short-term deposits are maintained at levels sufficient to fund three months' operational and capital expenditure. Short-term deposits are placed with various terms between call and six months.

Notes to the accounts (*continued*)

36 Financial risk management (continued)

b Liquidity risk (continued)

The following tables summarize the maturity of the Group's undiscounted contractual payments.

	Three months or less £m	More than one year £m	Between one and five years £m	More than five years £m	Total £m
As at 31 July 2013:					
Bond liabilities	**6.6**	**6.6**	**52.5**	**855.3**	**921.0**
Derivative financial instruments liability positions	**99.0**	**–**	**–**	**–**	**99.0**
Investments held on behalf of others	**78.3**	**–**	**–**	**–**	**78.3**
Bank overdraft	**3.6**	**–**	**–**	**–**	**3.6**
Bank and other loans	**0.2**	**0.5**	**4.7**	**–**	**5.4**
Other creditors excluding deferred income	**125.0**	**23.4**	**–**	**–**	**148.4**
Totals at 31 July 2013	**312.7**	**30.5**	**57.2**	**855.3**	**1,255.7**
As at 31 July 2012:					
Derivative financial instruments liability positions	40.2	–	–	–	40.2
Investments held on behalf of others	50.4	–	–	–	50.4
Bank overdraft	2.5	–	–	–	2.5
Bank and other loans	0.2	0.5	6.1	–	6.8
Other creditors excluding deferred income	103.4	29.1	–	–	132.5
Totals at 31 July 2012	196.7	29.6	6.1	–	232.4

Capital commitments, excluded from the above analysis, are disclosed at note 29.

c Market risk

Market risk is the risk of changes to the fair value of the Group's financial instruments. Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk, and other price risk.

CUEF

The Investment Board advises the Council and is made up of investment professionals. The Investment Board monitors the performance of the Investment Office as well as providing advice to it. Investments in the CUEF are selected and combined with the aim of optimizing the future long-term total return bearing in mind the expected future volatility of the return. The risk taken in order to meet the total return objective is managed by utilizing diversification of investment strategies, of investment asset classes, and of external investment managers. The CUEF operates an evolving asset allocation, in the context of a long-term direction. The proposed changes over the following twelve months are revised quarterly in discussion with the Investment Board. Within each asset class, fund managers are appointed and carry out the day-to-day investment transactions.

c(i) Currency risk

Currency risk is the risk that the value of an asset or liability will fluctuate due to changes to foreign currency exchange rates. The functional currency of the University and the presentational currency of the Group is sterling. However, the Group has investment assets denominated in currencies other than sterling and is impacted by fluctuations in foreign currency exchange rates.

At 31 July the CUEF had the following principal net exposures:

	2013	2012
Pounds sterling	**50.3%**	49.1%
US dollar	**29.9%**	27.2%
Euro	**6.4%**	6.7%
Japanese Yen	**4.5%**	3.7%
Other currency	**8.9%**	13.3%
	100.0%	100.0%

The currency exposure for overseas investments is based on the quotation or reporting currency of each holding, while the currency exposure for net monetary assets is based on the currency in which each asset or liability is denominated.

Notes to the accounts (*continued*)

36 Financial risk management (continued)

c(i) Currency risk (continued)

The following table summarizes the significant assets and liabilities exposed to currency risk as at 31 July 2013:

	US Dollar $m	Euro €m	US Dollar £m	Euro £m	Other £m	Total £m
CUEF investment assets excluding currency contracts	**1,434.1**	**256.7**	**945.9**	**224.8**	**321.3**	**1,492.0**
CUEF forward currency contracts	**(468.0)**	**(100.2)**	**(308.7)**	**(87.8)**	**(35.9)**	**(432.4)**
Net exposure of CUEF	**966.1**	**156.6**	**637.2**	**137.0**	**285.4**	**1,059.6**
Exposures outside CUEF:						
Debtors	**28.5**	**5.1**	**18.8**	**4.5**	**19.9**	**43.2**
Money market investments	**–**	**14.0**	**–**	**11.9**	**–**	**11.9**
Cash balances	**19.8**	**8.8**	**13.1**	**7.7**	**11.6**	**32.4**
Creditors including bank and other loans	**(22.1)**	**(3.3)**	**(14.6)**	**(2.9)**	**(13.4)**	**(30.9)**
Forward currency contracts	**(12.0)**	**(26.0)**	**(7.9)**	**(22.8)**	**–**	**(30.7)**
Net exposure	**980.3**	**155.1**	**646.6**	**135.4**	**303.5**	**1,085.5**

Impact on total recognized gains for the year 2012–13	
10% US Dollar appreciation	**64.7**
10% Euro appreciation	**13.5**

The following table summarizes the significant assets and liabilities exposed to currency risk as at 31 July 2012:

	US Dollar $m	Euro €m	US Dollar £m	Euro £m	Other £m	Total £m
CUEF investment assets excluding currency contracts	1,209.0	213.4	771.7	167.7	269.7	1,209.1
CUEF forward currency contracts	(505.1)	(72.8)	(322.4)	(57.2)	11.5	(368.1)
Net exposure of CUEF	703.9	140.6	449.3	110.5	281.2	841.0
Exposures outside CUEF:						
Debtors	35.2	4.5	22.5	3.5	16.0	42.0
Money market investments	–	25.6	–	10.7	–	10.7
Cash balances	19.5	12.9	12.4	10.1	9.4	31.9
Creditors including bank and other loans	(28.6)	(2.6)	(18.3)	(2.1)	(14.4)	(34.8)
Forward currency contracts	(28.2)	(23.0)	(18.0)	(18.1)	(3.8)	(39.9)
Net exposure	701.8	158.0	447.9	114.6	288.4	850.9

Impact on total recognized gains for the year 2011–12	
10% US Dollar appreciation	44.8
10% Euro appreciation	11.5

Risk management policies and procedures

Currency positions in the assets and liabilities of the CUEF are reviewed regularly by the Chief Investment Officer and the currency exposure is managed within the asset allocation strategy.

c(ii) Interest rate risk

Interest rate risk arises from the risk that the value of an asset or liability will fluctuate due to changes in market interest rates (i.e. for fixed interest rate assets or liabilities) or that future cash flows will fluctuate due to changes in interest rates (i.e. for floating rate assets or liabilities).

Interest rate exposure and sensitivity

As stated in the accounting policies, the University's bond liabilities are measured at amortized cost using the effective interest rate method, rather than at fair value. The University has not invested in variable rate deposits or interest-bearing securities.

Interest rate risk is focused on the potential impact of interest rate changes on the fair value of investments in fixed interest securities.

At 31 July 2013 the University held £17.7m (2012: £17.5m) of overseas government bonds with fixed interest.

Notes to the accounts (*continued*)

36 Financial risk management (continued)

c(ii) Interest rate risk (continued)

Risk management policies and procedures

The University takes into account the possible effects of a change in interest rates on the fair value and cash flows of the interest-bearing financial assets and liabilities when making investment decisions.

c(iii) Other price risk

Price risk is the risk that the value of an asset or liability will fluctuate due to changes in market price (other than those arising from currency risk or interest rate risk), caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

This is a key risk for the University because of the significance of the endowments and other funds invested in the CUEF and the dependence of future plans on maintaining the value of CUEF units in real terms.

Concentration of exposure to other price risk

As the majority of the CUEF's investments are carried at fair value, all changes in market conditions will directly affect the University's net assets. The fund's asset allocation at the reporting date is shown in note 25.

Notes to the accounts (*continued*)

37 Fair value

Debtors and current liabilities are stated in the Group balance sheet at book values which are not materially different from their fair values. The bond liabilities are measured at amortized cost of £342.3m (see note 19), whereas the fair value of the bond liabilities at 31 July 2013 was £330m based on trading nearest to the balance sheet date. The book values of the Group's other financial assets and liabilities shown on the balance sheet are the same as the fair values.

The following table categorizes the fair values of the Group's investment assets and liabilities based on the inputs to the valuation. Categorization within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1: Valued using quoted prices in active markets for identical assets.
Level 2: Valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.
Level 3: Valued by reference to valuation techniques using inputs that are not based on observable market data.

Fair value measurements using the FRS 29 fair value hierarchies	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Investment assets at fair value as at 31 July 2013				
CUEF: Quoted investments	**1,369.5**	**–**	**–**	**1,369.5**
Unquoted investments	**3.3**	**274.9**	**352.1**	**630.3**
Derivative financial instruments asset positions	**101.3**	**–**	**–**	**101.3**
Cash in hand and at investment managers	**55.9**	**78.8**	**–**	**134.7**
Total CUEF assets	**1,530.0**	**353.7**	**352.1**	**2,235.8**
Other quoted investments	**33.4**	**–**	**–**	**33.4**
Other unquoted investments	**–**	**40.8**	**85.0**	**125.8**
Investment properties	**–**	**66.8**	**–**	**66.8**
Money market investments	**353.0**	**–**	**–**	**353.0**
Cash in hand and at investment managers	**87.4**	**–**	**–**	**87.4**
Total investment assets at fair value	**2,003.8**	**461.3**	**437.1**	**2,902.2**
Derivative financial instruments liability positions (CUEF)	**(99.0)**	**–**	**–**	**(99.0)**
Total investments at fair value at 31 July 2013	**1,904.8**	**461.3**	**437.1**	**2,803.2**
Investment assets at fair value as at 31 July 2012				
CUEF: Quoted investments	1,044.0	–	–	1,044.0
Unquoted investments	4.9	84.1	431.6	520.6
Derivative financial instruments asset positions	41.9	–	–	41.9
Cash in hand and at investment managers	45.0	39.7	–	84.7
Total CUEF assets	1,135.8	123.8	431.6	1,691.2
Other quoted investments	22.9	–	–	22.9
Other unquoted investments	–	19.1	11.8	30.9
Investment properties	–	46.9	–	46.9
Money market investments	250.0	–	–	250.0
Cash in hand and at investment managers	7.6	–	–	7.6
Total investment assets at fair value	1,416.3	189.8	443.4	2,049.5
Derivative financial instruments liability positions (CUEF)	(40.2)	–	–	(40.2)
Total investments at fair value at 31 July 2012	1,376.1	189.8	443.4	2,009.3

A reconciliation of the opening and closing balances for Level 3 assets measured at fair value is detailed in the table below:

Fair value 1 August 2012	**443.4**
Purchases less sales proceeds	**(29.0)**
Total gains / (losses)	**22.7**
Transfers into Level 3	**–**
Transfers out of Level 3	**–**
Fair value 31 July 2013	**437.1**

Unquoted investments include investments in hedge funds, private equity funds, and property funds. The fair values of unquoted investments and derivative financial instruments held through pooled funds and partnerships are based on valuations of the underlying investments as supplied to the University's custodian by the administrators of those funds or partnerships. The Council considers that no reasonably foreseeable change to key assumptions in the Level 3 valuations would result in a significant change in fair value. Transfers into and out of Level 3 occur when the classification of the underlying assets and liabilities of these funds changes.